



Saudi Cement Company Invites its Shareholders to Attend the Extraordinary General Assembly virtual Meeting (First Meeting)

The Board of Directors of Saudi Cement Company would like to invite its shareholders to attend the Extraordinary General Assembly meeting to participate and vote, which is scheduled to be held at 18:30 PM on Wednesday 08 / 05 / 1445 AH corresponding to 22/ 11 / 2023 G from the company's headquarter in Dammam, Online via Tadawulaty Platform (<http://tadawulaty.com.sa>),

In order to consider the following agenda:

- 1 : Vote on the Board of Directors decision to appoint Mr. Abdulaziz Hatem Al Juffali as a member of the Board of Directors (independent member) starting from the date of his appointment on 18-11-1444 corresponding to 07-06-2023 to complete the Board session until the end of the current session on December 31, 2024, succeeding the resigned Board Member Ms. Halla Walid Al-Juffali (independent member). (CV attached)
- 2 : Vote on the amendment of the Audit Committee's Regulations. (attached)
- 3 : Vote on the amendment of the Nomination and Remuneration Committee Regulations. (attached)
- 4 : Vote on amendment of the Regulations on Board Membership Standards and Procedures. (attached)
- 5 : Vote on the amendment of the Remuneration Regulations of the Members of the Board of Directors, Its Committees and the Executive Management. (attached)
- 6 : Vote on amending Article (2) of the company's bylaws related to the name of the company. (attached)
- 7 : Vote on amending Article (3) of the company's bylaws related to the objectives of the company. (attached)
- 8 : Vote on amending Article (6) of the company's bylaws related to the lifespan of the company. (attached)
- 9 : Vote on amending Article (7) of the company's bylaws related to the capital of the company. (attached)
- 10 : Vote on adding an Article to the company's bylaws related to the powers of the Managing Director or the Chief Executive Officer. (attached)
- 11 : Vote on amending the company's bylaws according to the new Companies' Law. (attached)

According to the rules and regulations, shareholders registered in the company's shareholders register at Edaa Center at the end of the trading session prior the Meeting are entitled to attend the General Assembly Meeting, Shareholders have the right to inquire and discuss the subjects on the agenda of the General Assembly. Note that the eligibility for registering the attendance of the General Assembly's Meeting ends upon the commencing of the



General Assembly's Meeting. Eligibility for voting ends upon the counting committee concludes counting the votes. The Extraordinary General Assembly meeting shall be valid if attended by shareholders representing at least half of the Company's capital. In the absence of a quorum required for holding the meeting, a second meeting will be held one hour after the end of the period specified for the first meeting. The second meeting shall be valid if attended by shareholders representing at least one-fourth of the Company's capital.

The company assures to all of its shareholders that registration and voting are limited to the assembly's items through (electronic voting), which will be available to shareholders registered on the Tadawulaty Platform from 01:00 am in the morning on Saturday 04 Jumada Alawwal 1445 (November 18, 2023) until the end of convening time of the assembly, noting that registration and voting in Tadawulaty, is available free of charge to all shareholders using the following link (<http://tadawulaty.com.sa>)

For Any questions or quires kindly contact the Shareholder Relationships during business hours from 07:00 am to 03:00 pm at:

0138358033 or
0539168715 or
saudicement@saudicement.com.sa

Form No. (1) Resume

A) Personal information of the Nominated Member						
Full name		Abdulaziz Hatem Ali Al Juffali				
Nationality		Saudi		Date of birth		27/04/1993
B) Academic Qualifications of the Nominated Member						
#	Qualifications	Specialization	Date of obtaining the qualifications	Name of Awarding Entity		
1	Bachelor of Arts	Management and Business	June 2015	Henley Business School, University of Reading		
2						
3						
4						
5						
C) Work Experience of the Nominated Member						
Period		Experience				
01/2017 - Present		Investment consultant at Financial Technology Company.				
02/2020 - Present		Participation in several companies Board of Directors meetings, for a number of 27 meetings in various activities aimed at qualification and development.				
01/2022 - Present		Operations development Advisor at Juffali Technical Equipment Company.				
01/2022 - Present		Operations development Advisor at the National automotive Industry Ltd. Company for Trucks (Mercedes-Benz) in Jeddah.				
01/2020 - 01/2022		Executive Director of Development at Mercedes-Benz in Makkah.				
D) Current membership in the board of directors of other joint stock companies (listed or non-listed) or any other company, regardless of its legal form or the committees deriving from it:						
#	Company name	Main activity	Membership type (executive, nonexecutive, independent)	Nature of the membership (in personal capacity, representative of legal person)	Committees Membership	Legal form of the company
1						
2						
3						
4						



Audit Committee Regulations	
Before the amendment	After amendment
<p>Introduction: Given that the matters related to the Board of Directors mandate are steadily increasing requiring more know-how and timely decision-making, the effectiveness and efficiency of the Board of Directors have to develop to keep pace with this steady increase in board responsibilities. The formation of Audit Committee usually aims to set a mechanism to assist the Board with its duties rather than to expand its base of responsibilities. This can be achieved through the role the Committee plays in serving the Board of Directors in respect of the effectiveness of Company's internal control system, as well as making recommendation to the Board/General Assembly nominating an auditor to audit the Company's accounts. The Saudi Cement Company, Being fully committed to the accounting laws, regulations and standards applied in joint stock companies, to strengthening the role of the Board of Directors in making its decisions in light of the financial statements and reports prepared by the Executive Management in accordance with the generally accepted accounting controls and standards, and to the provisions of Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437 AH, as well as the Corporate Governance Regulations issued by the Capital Market Authority, especially the provisions on constituting the audit committee in accordance with the provisions and controls contained in the Law and Regulations, Has duly established these Regulations to organize the audit committee work. Following are the provisions of these Regulations:</p>	<p>Introduction: Given that the matters related to the Board of Directors mandate are steadily increasing requiring more know-how and timely decision-making, the effectiveness and efficiency of the Board of Directors have to develop to keep pace with this steady increase in board responsibilities. The formation of Audit Committee usually aims to set a mechanism to assist the Board with its duties rather than to expand its base of responsibilities. This can be achieved through the role the Committee plays in serving the Board of Directors in respect of the effectiveness of Company's internal control system, as well as making recommendation to the Board/General Assembly nominating an auditor to audit the Company's accounts. The Saudi Cement Company, Being fully committed to the accounting laws, regulations and standards applied in joint stock companies, to strengthening the role of the Board of Directors in making its decisions in light of the financial statements and reports prepared by the Executive Management in accordance with the generally accepted accounting controls and standards, and to the Corporate Governance Regulations issued by the Capital Market Authority, especially the provisions on constituting the audit committee in accordance with the provisions and controls contained Regulations, Has duly established these Regulations to organize the audit committee work. Following are the provisions of these Regulations:</p>



<p>Definitions: The following terms and phrases, wherever mentioned in these Regulations, shall have the meanings ascribed thereto, unless the context requires otherwise:</p> <p>1. Committee/Audit Committee: the Audit Committee of the Saudi Cement Company (SCC).</p> <p>2. Board/Board of Directors: SCC's Board of Directors, which is entrusted with managing the Company in a manner that serves shareholders' interests. The Board members are elected by the General Assembly or appointed according to the Company' bylaws and constitute as a whole the Company's Board of Directors.</p> <p>3. Non-executive Board Member: A board member who is not bound to serve on a full-time basis and does not engage in Company's day-to-day work.</p> <p>4. Independent Board Member: A non-executive board member who is fully independent in his position and decisions, and is not covered by any of the issues affecting independence stipulated in Article 20 of the Corporate Governance Regulations.</p> <p>5. Internal Audit Department: The Internal Audit Department is a department that provides independent and objective assurance or advisory services on the audited matters in order to add value to them and improve the Company's operations. The Internal Audit Department assists the Company in realizing its objectives by providing an organized and logical input for evaluating and improving the effectiveness of the Internal Control System and governance.</p> <p>6. Internal Control System: It includes policies, procedures and processes that are part of the supervisory framework encompassing each of Company's departments.</p> <p>7. Second-degree Relative: the brothers and sisters.</p> <p>8. Auditor: The auditing firm that is contracted with to audit Company's accounts and financial reports.</p>	<p>Definitions: The following terms and phrases, wherever mentioned in these Regulations, shall have the meanings ascribed thereto, unless the context requires otherwise:</p> <p>1. Committee/Audit Committee: the Audit Committee of the Saudi Cement Company (SCC).</p> <p>2. Board/Board of Directors: SCC's Board of Directors, which is entrusted with managing the Company in a manner that serves shareholders' interests. The Board members are elected by the General Assembly or appointed according to the Company' bylaws and constitute as a whole the Company's Board of Directors.</p> <p>3. Non-executive Board Member: A board member who is not bound to serve on a full-time basis and does not engage in Company's day-to-day work.</p> <p>4. Independent Board Member: A non-executive board member who is fully independent in his position and decisions, and is not covered by any of the issues affecting independence stipulated in Article 20 of the Corporate Governance Regulations.</p> <p>5. Internal Audit Department: The Internal Audit Department is a department that evaluates the company's internal control system, supervises its application, and verifies the extent to which the company's departments and employees comply with the applicable government laws, regulations and instructions, and the company's policies and procedures.</p> <p>6. Internal Control System: It includes policies, procedures and processes that are part of the supervisory framework encompassing each of Company's departments.</p> <p>7. Auditor: The auditing firm that is contracted with to audit Company's accounts and financial reports.</p>
<p>Approval of Regulations: The Ordinary General Assembly, based on a recommendation from the Board of Directors, shall approve these regulations, including the rules for nominating Audit Committee members and determining membership term, Committee's functions and work regulations and the remuneration of its members.</p>	<p>Approval of Regulations: The Ordinary General Assembly, based on a recommendation from the Board of Directors, shall approve these regulations, including the rules for nominating Audit Committee members and determining membership term, Committee's procedures, functions and work regulations and the remuneration of its members, the method of nominating them, and the mechanism for appointing its members temporarily in the event of a vacancy in one of the Committee's seats.</p>



<p>Purpose, Functions and Scope of Committee: The primary function of Audit Committee is to provide assurance on the adequacy and effectiveness of Internal Control System, and to submit any necessary recommendations to the Board of Directors that would promote and develop that system in a manner that achieves Company's objectives and safeguards the interests of shareholders and investors with high efficiency. The Audit Committee may view the information, data, reports, or other matters that the Committee deems important. The Audit Committee is responsible for monitoring the Company's work and ensuring soundness and integrity of its financial reports and statements, and internal control systems. The scope of Committee's work includes all activities that enable it fulfill its purpose, including:</p>	<p>Competences, Powers and Responsibilities of the Committee : The Audit Committee is responsible for monitoring the Company's business and verifying the integrity of the Company's reports, financial statements and internal control systems, the Committee's tasks include, in particular, the following:</p>
<p>A) Financial Reports:</p> <ol style="list-style-type: none"> 1. Examine the interim and annual financial statements before submitting the same to the Board of Directors, in order to express its opinion and recommendation regarding them (if any), to ensure that these statements are sound, integral and transparent. 2. Provide the technical opinion, at the Board's request, on whether the Company's Board report and other financial statements are integral, balanced, understandable and include information that allow shareholders and investors to evaluate the Company's financial position, performance, business model and strategy. 3. Consider any important or irregular issues contained in the financial reports. 4. Carefully consider any issues raised by the Company's CFO or his deputy, Compliance Officer, or auditor. 5. Evaluate the accounting estimates regarding the fundamental matters contained in the financial reports. 6. Study the accounting policies adopted by the Company and give opinion and recommendation to the Board in this regard. 	<p>A) Financial Reports:</p> <ol style="list-style-type: none"> 1. Examine the interim and annual financial statements before submitting the same to the Board of Directors, in order to express its opinion and recommendation regarding them (if any), to ensure that these statements are sound, integral and transparent. 2. Provide the technical opinion, at the Board's request, on whether the Company's Board report and other financial statements are integral, balanced, understandable and include information that allow shareholders and investors to evaluate the Company's financial position, performance, business model and strategy. 3. Consider any important or irregular issues contained in the financial reports. 4. Carefully consider any issues raised by the Company's CFO or his deputy, Compliance Officer, or auditor. 5. Evaluate the accounting estimates regarding the fundamental matters contained in the financial reports. 6. Study the accounting policies adopted by the Company and give opinion and recommendation to the Board in this regard.
<p>B) Internal Audit:</p> <ol style="list-style-type: none"> 1. Coordinate with the Internal Audit Department regarding the study and review of Company's internal and financial control systems and risk management system to provide assurance that the internal control system is efficient and fulfills the Company's objectives in this regard. 2. Review and approve the Internal Audit Department's annual and strategic audit plans. 	<p>B) Internal Audit:</p> <ol style="list-style-type: none"> 1. Coordinate with the Internal Audit Department regarding the study and review of Company's internal and financial control systems and risk management system to provide assurance that the internal control system is efficient and fulfills the Company's objectives in this regard. 2. Review and approve the Internal Audit Department's annual and strategic audit plans, and it should be updated annually.



<p>3. Study the Internal Audit Department's reports and follow up on the corrective actions taken regarding the notes found in these reports.</p> <p>4. Monitor and supervise the performance and work of Internal Audit Department, in order to ensure the availability of necessary resources and effectiveness of that Department in performing the functions and tasks assigned thereto as well as its independence and objectivity.</p> <p>5. Make recommendations to the Board of Directors for appointment, dismissal or rewarding a unit manager or Internal Audit Department Director.</p>	<p>3. Study the Internal Audit Department's reports and follow up on the corrective actions taken regarding the notes found in these reports.</p> <p>4. Monitor and supervise the performance and work of Internal Audit Department, in order to ensure the availability of necessary resources and effectiveness of that Department in performing the functions and tasks assigned thereto.</p> <p>5. Make recommendations to the Board of Directors for appointment, dismissal or rewarding the Internal Audit Department Manager.</p>
<p>C) Auditor:</p> <p>1. Submit recommendations to the Board of directors regarding nomination, dismissal, setting remuneration or assessing the performance of auditors, after ensuring their independence and verifying the scope of their work and the terms of contracting with them.</p> <p>2. Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.</p> <p>3. Review the auditor's plan and work, verify that the auditor has not initiated technical or administrative works outside the scope of audit work, and express its opinion in this regard.</p> <p>4. Answer the inquiries of Company's auditor.</p> <p>5. Study the auditor's report and notes on the financial statements and follow up the actions taken in their regard.</p>	<p>C) Auditor:</p> <p>1. Submit recommendations to the Board of directors regarding nomination, dismissal, setting remuneration or assessing the performance of auditors, after ensuring their independence and verifying the scope of their work and the terms of contracting with them.</p> <p>2. Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.</p> <p>3. Review the auditor's plan and work, verify that the auditor has not initiated technical or administrative or consulting works outside the scope of audit work, and express its opinion in this regard.</p> <p>4. Answer the inquiries of Company's auditor.</p> <p>5. Study the auditor's report and notes on the financial statements and follow up the actions taken in their regard.</p>
<p>D) Compliance:</p> <p>1. Review the outcomes of regulators reports and ensure that the Company has taken the necessary actions regarding them.</p> <p>2. Ensure that the Company is compliant with the relevant laws, regulations, policies and instructions.</p> <p>3. Review the contracts and transactions to be conducted by the Company with related parties, and submit its opinions in this regard to the Board of Directors.</p> <p>4. Raise the issues it deems necessary to take action in their regard to the Board, and make recommendations on the actions to be taken.</p>	<p>D) Compliance:</p> <p>1. Review the outcomes of regulators reports and ensure that the Company has taken the necessary actions regarding them.</p> <p>2. Ensure that the Company is compliant with the relevant laws, regulations, policies and instructions.</p> <p>3. Review the contracts and transactions to be conducted by the Company with related parties, and submit its opinions in this regard to the Board of Directors.</p> <p>4. Raise the issues it deems necessary to take action in their regard to the Board, and make recommendations on the actions to be taken.</p>



<p>Committee Powers: The Audit Committee is responsible for monitoring Company's work, and to that end, it is entitled to:</p> <ol style="list-style-type: none"> 1. View the Company's records and documents. 2. Request any clarification or statement from members of the Board or Executive Management. 3. Request the Board to call the General Assembly to convene if the Board impedes its work or the Company incurs heavy damage or losses. 	<p>Committee Powers: The Audit Committee is responsible for monitoring Company's work, and to that end, it is entitled to:</p> <ol style="list-style-type: none"> 1. View the Company's records and documents. 2. Request any clarification or statement from members of the Board or Executive Management. 3. Request the Board to call the General Assembly to convene if the Board impedes its work or the Company incurs heavy damage or losses.
<p>First: Rules for Selecting Committee members: Article 1: Formation of Committee</p> <ol style="list-style-type: none"> 1. The Board shall form, by a decision of the Company's Ordinary General Assembly, an audit committee of three members selected by the Board, whether from among shareholders or otherwise, for a term ending at the end of Board term, which is three years renewable for similar terms. The Committee members may be independent or non-executive. However, the Committee shall have among its members an independent member. 2. No one who has served during the past two years in the executive or financial management of the Company, or with Company's auditor, may be a member of Audit Committee. 	<p>First: Rules for Selecting Committee members: Article 1: Formation of Committee</p> <ol style="list-style-type: none"> 1. Based on the recommendation of the Nomination and Remuneration Committee an audit committee of three members whether from among shareholders or otherwise shall be formed, by a resolution of the Board of Directors, provided that it does not include any of the executive members of the Board of Directors. However, the Committee shall have among its members an independent member and should include a specialist in financial and accounting affairs. 2. The term of membership of the Committee shall be four years, renewable. 3. No one who has served during the past two years in the executive or financial management of the Company, or with Company's auditor, may be a member of Audit Committee. 4. A member of the Audit Committee may not be a member of audit committees in more than five joint stock companies listed on the Exchange at the same time. 5. The Chairman of the Board of Directors may not be a member of the Committee.



<p>Article 2: Membership Vacancy In the event of any vacancy in Audit Committee membership during the term of membership, the Committee shall continue to perform its duties until another member is appointed to the vacant position. The Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor, provided that the appointment is presented to the first Ordinary General Assembly for its approval. The position of a committee member becomes vacant due to death or disability or if that member is dismissed by a decision of the Board, provided that the dismissal decision is submitted to the Ordinary General Assembly for its approval, which shall be in the following cases:</p> <ol style="list-style-type: none"> The member requested to be dismissed from his position as a Committee member. Abuse of position as a Committee member or misconduct that the Board finds harmful to the Company's objectives and reputation in general and Committee in particular. A member is absent for three consecutive meetings of Committee without an excuse acceptable by the Ordinary General Assembly. The Ordinary General Assembly may, during the Committee's session, dismiss any of Committee members without giving reasons. 	<p>Article 2: Membership Vacancy In the event of any vacancy in Audit Committee membership during the term of membership, the Committee shall continue to perform its duties until another member is appointed to the vacant position. The Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor. The position of a committee member becomes vacant due to death or disability or if that member is dismissed by a decision of the Board, which shall be in the following cases:</p> <ol style="list-style-type: none"> The member requested to be dismissed from his position as a Committee member. Abuse of position as a Committee member or misconduct that the Board finds harmful to the Company's objectives and reputation in general and Committee in particular. A member is absent for three consecutive meetings of Committee without a legitimate excuse acceptable to the Board of Directors. The Board of Directors may, during the Committee's session, dismiss any of Committee members without giving reasons.
<p>Article 3: Status of Committee Member The Committee member shall be a non-executive Board member, provided that among the members of Audit Committee there shall be one who is specialized in financial and accounting affairs, with preference given to those who hold an appropriate academic qualification and experience in industrial sector.</p>	<p style="text-align: center;">-</p>
<p>Article 4: Chairman & Secretary The Committee shall elect a chairman from among its members, and secretary to draw up the minutes of its meetings and take over the administrative work.</p>	<p>Article 4: Chairman & Secretary The Committee shall elect a chairman from among its members, and secretary to draw up the minutes of its meetings and take over the administrative work.</p>



<p>Second: General Provisions</p> <p>1. The Committee Chairman or whoever represents him from among the Committee members shall attend the General Assemblies to answer shareholders' inquiries, if any.</p> <p>2. The Company shall notify CMA of the names of Committee Members and their type of membership within five working days from the date of their appointment, as well as any changes made to that membership within five working days from the date of changes.</p> <p>3. The Board Chairman may not be a member of Audit Committee.</p> <p>4. The Committee shall consider the matters that fall within its scope or those referred thereto by the Board, and then make its recommendations to the Board to take a decision regarding these matters, or to take the necessary decisions if so authorized by the Board.</p> <p>5. The Committee may seek the assistance of experts and specialists from within or outside the Company within the limits of its powers, provided that this matter is included in the minutes of its meeting, naming the expert and his relationship to the Company or Executive Management.</p>	<p>Second: General Provisions</p> <p>1. The Committee Chairman or whoever represents him from among the Committee members shall attend the General Assemblies to answer shareholders' inquiries, if any.</p> <p>2. The Company shall notify CMA of the names of Committee Members and their type of membership within five working days from the date of their appointment, as well as any changes made to that membership within five working days from the date of changes.</p> <p>3. The Committee shall consider the matters that fall within its scope or those referred thereto by the Board, and then make its recommendations to the Board to take a decision regarding these matters, or to take the necessary decisions if so authorized by the Board.</p> <p>5. The Committee may seek the assistance of experts and specialists from within or outside the Company within the limits of its powers, provided that this matter is included in the minutes of its meeting, naming the expert and his relationship to the Company or Executive Management.</p>
<p>Article 5: Confidentiality</p> <p>A Committee member shall abide by confidentiality provisions applicable to Board members with regard to Company's secrets and may not disclose to the shareholders or third parties the information he becomes aware of.</p>	<p>Article 5: Confidentiality</p> <p>A Committee member shall abide by confidentiality provisions applicable to Board members with regard to Company's secrets and may not disclose to the shareholders or third parties the information he becomes aware of.</p>
<p>Article 6: Nomination of Auditor</p> <p>The Committee shall nominate the Company's auditor, as dictated by the Company's interest.</p>	<p>Article 6: Nomination of Auditor</p> <p>The Committee shall nominate the Company's auditor, as dictated by the Company's interest.</p>
<p>Article 7: Reviewing Auditor's Reports</p> <p>The Committee shall review and audit the reports and notes submitted by the Auditor, and expresses its opinion regarding them, if any, to the Board.</p>	<p>Article 7: Reviewing Auditor's Reports</p> <p>The Committee shall review and audit the reports and notes submitted by the Auditor, and expresses its opinion regarding them, if any, to the Board.</p>
<p>Article 8: Actual Expenses and Annual Remuneration</p> <p>1. The annual remuneration for a Committee member shall be SAR 100,000 (one hundred thousand riyals).</p> <p>2. The Committee member shall receive the amount of the abovementioned remuneration proportional to the number of meetings attended by him.</p> <p>3. The Company shall bear or pay to the Committee member the actual expenses incurred for staying in a hotel and first-class air tickets.</p> <p>4. The remuneration of Committee members is paid after the last meeting of the Committee in the calendar year.</p>	<p>Article 8: Actual Expenses and Annual Remuneration</p> <p>1. The remuneration of the members of the Committee shall be in accordance with the details contained in the Regulations of Remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management.</p> <p>2. The Committee member shall receive the amount of the abovementioned remuneration proportional to the number of meetings attended by him.</p> <p>3. The Company shall bear or pay to the Committee member the actual expenses incurred for staying in a hotel and first-class air tickets.</p> <p>4. The remuneration of Committee members is paid after the last meeting of the Committee in the calendar year.</p>



<p>Article 9: Loans & Guarantees The Company may not give cash loans to any or all of the Committee members, or to provide security for any loan contracted on by one or more of the Committee members with third parties, and any such contract that is made in violation of this Article shall be deemed void and null</p>	<p>Article 9: Loans & Guarantees The Company may not give cash loans to any or all of the Committee members, or to provide security for any loan contracted on by one or more of the Committee members with third parties, and any such contract that is made in violation of this Article shall be deemed void and null</p>
<p>Article 10: Regulations Amendments The Board of Directors may propose amendment to these Regulations in accordance with new process requirements, decisions or instructions issued by the competent government agencies, provided that this amendment is presented to the General Assembly in its first meeting for approval.</p>	<p>Article 10: Regulations Amendments The Board of Directors may propose amendment to these Regulations in accordance with new process requirements, decisions or instructions issued by the competent government agencies, provided that this amendment is presented to the General Assembly in its first meeting for approval.</p>
<p>Third: Responsibilities & Functions of Audit Committee Audit Committee does not detract from Company Management's responsibilities in terms of the Company financial statements and business management nor the auditors' responsibilities related to assessing validity of the financial statements in accordance with the auditing standards recognized and approved in the Kingdom. Audit Committee then shall be responsible for ensuring that the responsibilities of Company Management and auditor are duly fulfilled.</p>	<p style="text-align: center;">-</p>
<p>Article 11: Conflict between the Audit Committee and the Board If a conflict arises between the recommendations of the Audit Committee and the Board resolutions, or if the Board refuses to put the Committee's recommendations into action as to appointment or dismissal of the Company's auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the Committee's recommendations and justifications, and the reasons for not following such recommendations.</p>	<p>Article 11: Conflict between the Audit Committee and the Board If a conflict arises between the recommendations of the Audit Committee and the Board resolutions, or if the Board refuses to put the Committee's recommendations into action as to appointment or dismissal of the Company's auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the Committee's recommendations and justifications, and the reasons for not following such recommendations.</p>



Article 12: Committee's Meetings, Quorum and Resolutions

1. The Committee shall meet upon a call of its chairman. A Committee meeting shall be valid only if attended by majority of its members. The Committee member shall not attend the Committee meetings on behalf of another member. The Committee's resolutions shall be passed by a majority of votes and in the event of a tie, the meeting chairman will cast the deciding vote.
2. The Committee may use the means of modern technology in its meetings, including: "Audio conference call" and visual means of communication, and this shall mean that the Committee member has duly attended the meeting.
3. ~~The Committee members' approval of the minutes and reports shall be written, whether written on paper or sent via e-mail.~~
4. No member of the Board or Executive Management save for the Committee secretary and Committee members shall have the right to attend the Committee meetings unless the Committee requests to know their opinion or obtain their advice.
5. The Committee's meetings shall be documented in minutes that shall include the discussions and deliberations that took place, Committee's recommendations and voting results. These minutes shall be kept in a private and organized record and shall include the names of present members and the reservations they expressed, if any. These minutes shall be signed by all the present Committee members.

Article 12: Number of Committee meetings, quorum and decisions

1. The Audit Committee shall hold four meetings per year and may meet further as often as necessary.
2. The Audit Committee shall meet periodically with the Company's auditor and the Company's internal auditor.
3. The Internal Audit Department and the auditor may request a meeting with the Audit Committee whenever the need arises.
4. The Committee shall meet upon a call of its chairman. A Committee meeting shall be valid only if attended by majority of its members. The Committee member shall not attend the Committee meetings on behalf of another member. The Committee's resolutions shall be passed by a majority of votes and in the event of a tie, the meeting chairman will cast the deciding vote.
5. The Committee may use the means of modern technology in its meetings, including: "Audio conference call" and visual means of communication, and this shall mean that the Committee member has duly attended the meeting.
6. No member of the Board or Executive Management save for the Committee secretary and Committee members shall have the right to attend the Committee meetings unless the Committee requests to know their opinion or obtain their advice.
7. The Committee's meetings shall be documented in minutes that shall include the discussions and deliberations that took place, Committee's recommendations and voting results. These minutes shall be kept in a private and organized record and shall include the names of present members and the reservations they expressed, if any. These minutes shall be signed by all the present Committee members. **The meetings, minutes and decisions of the Committee may be documented through modern technology.**



<p>Article 13: Committee Reports</p> <p>1. The Audit Committee shall review the Company's financial statements, reports and notes provided by the Auditor, and express its opinions thereon, if any. The Committee shall also prepare a report about its opinion regarding the adequacy of the Company's internal and financial control systems and risk management system, along with any other activities falling within the Committee competences. That report shall be read out during the General Assembly meeting.</p> <p>2. The Committee report shall be published on the Company's website and CMA website.</p> <p>3. The Company shall keep the Audit Committee report at the Company's headquarters for a period of no less than ten years. Without prejudice to this period, the Company shall, in the event of a case (including any existing or threatened case), a claim or any existing investigation procedures related to the report, keep the report until the end of that case, claim, or existing investigation procedures. The Committee shall also submit a report to the Board, in case of any serious violations.</p>	<p>Article 13: Committee Reports</p> <p>1. The Audit Committee shall review the Company's financial statements, reports and notes provided by the Auditor, and express its opinions thereon, if any. The Committee shall also prepare a report about its opinion regarding the adequacy of the Company's internal and financial control systems and risk management system, along with any other activities falling within the Committee competences. That report shall be read out during the General Assembly meeting.</p> <p>2. The Committee report shall be published on the Company's website and CMA website. The summary of the report will be read out during the General Assembly.</p> <p>3. The Company shall keep the Audit Committee report at the Company's headquarters for a period of no less than ten years. Without prejudice to this period, the Company shall, in the event of a case (including any existing or threatened case), a claim or any existing investigation procedures related to the report, keep the report until the end of that case, claim, or existing investigation procedures. The Committee shall also submit a report to the Board, in case of any serious violations.</p>
<p>Article 14: Number of Committee meetings</p> <p>1. The Audit Committee shall hold four meetings a year and it may hold additional meetings, when necessary.</p> <p>2. The Audit Committee shall periodically convene with the Company's auditor and internal auditor.</p> <p>3. The internal auditor and Auditor may call for a meeting with the Audit Committee when necessary.</p>	<p>-</p>
<p>Article 15: Cooperation of Employees with the Committee</p> <p>1. The Committee shall have the authority to oversee any activity performed by the Company and all the Company's employees shall fully cooperate with the Committee members for the benefit of the Company.</p> <p>2. The Committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial reports or other reports. The Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.</p>	<p>Article 15: Cooperation of Employees with the Committee</p> <p>1. The Committee shall have the authority to oversee any activity performed by the Company and all the Company's employees shall fully cooperate with the Committee members for the benefit of the Company.</p> <p>2. The Committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial reports or other reports. The Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.</p>



<p>Fourth: Selection Controls of Joint-Stock Companies' Auditor</p> <p>The Audit Committee shall nominate 5 licensed auditors who have the ability to efficiently audit the Company's accounts in order to invite them to audit the Company's accounts.</p>	<p>Fourth: Selection Controls of Joint-Stock Companies' Auditor</p> <p>The Audit Committee shall nominate 5 licensed auditors who have the ability to efficiently audit the Company's accounts in order to invite them to audit the Company's accounts. The auditor shall meet the following requirements:</p> <ol style="list-style-type: none"> 1- To be licensed and meet the conditions prescribed by the competent authority. 2- His interests should not conflict with the interests of the company. 3- The number of candidates should not be less than two auditors.
<p>Article 16: Auditor's Scope of Work</p> <p>The Committee shall define the audit scope, provided such scope includes the following:</p> <ol style="list-style-type: none"> 1. Assess the internal control system, including the accounting system. 2. Test a sample of Company's financial operations selected by the Auditor. 3. Communicate with the Company's creditors and debtors for confirming the balances or otherwise. 4. Monitor inventories, including the inventories made in the Company's projects and branches. 5. Comply with audit standards approved in the Kingdom in order to ensure that financial statements as a whole: <ul style="list-style-type: none"> - Fairly reflect the Company's financial position at a specific date and results of its business for the quarter and / or fiscal year ending on that date in light of presentation and disclosure of information contained in these financial statements in accordance with the accounting standards recognized and approved in the Kingdom and suitable for the Company's circumstances. - Comply with the requirements of Companies Law and the Company's bylaws regarding preparation and presentation of financial statements. 6. Inform the Company's officers in writing of the notes found by the Auditor upon auditing. 7. Examine the interim (quarter) financial statements required by CMA Listing Rules. 	<p>Article 16: Auditor's Scope of Work</p> <p>The Committee shall define the audit scope, provided such scope includes the following:</p> <ol style="list-style-type: none"> 1. Assess the internal control system, including the accounting system. 2. Test a sample of Company's financial operations selected by the Auditor. 3. Communicate with the Company's creditors and debtors for confirming the balances or otherwise. 4. Monitor inventories, including the inventories made in the Company's projects and branches. 5. Comply with audit standards approved in the Kingdom in order to ensure that financial statements as a whole: <ul style="list-style-type: none"> - Fairly reflect the Company's financial position at a specific date and results of its business for the quarter and / or fiscal year ending on that date in light of presentation and disclosure of information contained in these financial statements in accordance with the accounting standards recognized and approved in the Kingdom and suitable for the Company's circumstances. - Comply with the requirements of Companies Law and the Company's bylaws regarding preparation and presentation of financial statements. 6. Inform the Company's officers in writing of the notes found by the Auditor upon auditing. 7. Examine the interim (quarter) financial statements required by CMA Rules on the Offer of Securities and Continuing Obligations.



<p>Article 17: Auditors' Proposals The Company Management shall address an invitation to the auditors who are nominated by the Audit Committee. The invitation shall include the scope or work mentioned in Article 16 hereof, in addition to the conditions and other obligations the Company deems necessary to complete the audit process. Each auditor shall submit its proposal for auditing the Company's accounts along with a background of its auditing—firm, indicating specifically the following details:</p> <ol style="list-style-type: none"> 1. The academic and professional qualifications of the team members who will conduct the audit, along with their names and nationalities. 2. Indication of the work quality assurance policy adopted in the auditing firm. 3. The parties, if any, it intends to hire to assist in auditing the Company's accounts, and the activities in which they will participate, nature of their participation, the qualifications and experiences of the persons who will be hired for that purpose. 4. The auditing—firm's previous experience in auditing similar companies. 5. Size of the auditing—firm, its branches and the number of technical employees working therein. 6. Working hours for each of the teamwork members (Associate / Audit Manager/ etc). 7. Family relationship between the Auditor or teamwork who will conduct audit and the Board members and/or Committee members, if any. Work relationship between the Auditor and Company or any of the Board members, if any. 8. The expected date for issuing the report on Company's financial statements. 9. Audit fees. 	<p>Article 17: Auditors' Proposals The Company shall address an invitation to the auditors who are nominated by the Audit Committee. The invitation shall include the scope or work mentioned in Article 16 hereof, in addition to the conditions and other obligations the Company deems necessary to complete the audit process. Each auditor shall submit its proposal for auditing the Company's accounts along with a background of its establishment, indicating specifically the following details:</p> <ol style="list-style-type: none"> 1. The academic and professional qualifications of the team members who will conduct the audit, along with their names and nationalities. 2. Indication of the work quality assurance policy adopted in the establishment. 3. The parties, if any, it intends to hire to assist in auditing the Company's accounts, and the activities in which they will participate, nature of their participation, the qualifications and experiences of the persons who will be hired for that purpose. 4. The establishment's previous experience in auditing similar companies. 5. Size of the auditing establishment, its branches and the number of technical employees working therein. 6. Working hours for each of the teamwork members (Associate / Audit Manager/ etc). 7. Family relationship between the Auditor or teamwork who will conduct audit and the Board members and/or Committee members, if any. Work relationship between the Auditor and Company or any of the Board members, if any. 8. The expected date for issuing the report on Company's financial statements. 9. Audit fees.
<p>Article 18: Comparing Auditors' proposals The Company's Internal Audit Department shall draw up a table including comparison among the Auditors' proposals in accordance with the details mentioned in Article 17 hereof and submit the same to the Audit Committee accompanied by the proposals and details submitted by the Auditors.</p>	<p>Article 18: Comparing Auditors' proposals The Company's Internal Audit Department shall draw up a table including comparison among the Auditors' proposals in accordance with the details mentioned in Article 17 hereof and submit the same to the Audit Committee accompanied by the proposals and details submitted by the Auditors.</p>
<p>Article 19: Analysis of Auditors' Proposals The Audit Committee shall study the comparison table, proposals and details attached therein, and it may meet, if so desired, with the teamwork of each auditing—firm separately to discuss the auditors' proposals in light of the details referred to in Article 17.</p>	<p>Article 19: Analysis of Auditors' Proposals The Audit Committee shall study the comparison table, proposals and details attached therein, and it may meet, if so desired, with the teamwork of each audit separately to discuss the auditors' proposals in light of the details referred to in Article 17.</p>



<p>Article 20: Nomination of an Auditor The Committee shall prepare a memorandum to be submitted to the Board in which it states a brief analysis of the submitted proposals and shall nominate one or more auditors to audit the Company's accounts and indicate the basis on which the nomination was made.</p>	<p>Article 20: Nomination of Auditors The Committee shall prepare a memorandum to be submitted to the Board in which it states a brief analysis of the submitted proposals and shall nominate at least two auditors to audit the Company's accounts and indicate the basis on which the nomination was made.</p>
<p>Article 21: Amendments - Amendment No. (1): Article 8 was amended by a resolution of the Ordinary General Assembly held on 21/04/1433 (14/03/2012). - Amendment No. (2): Regulations were amended by a resolution of the Extraordinary General Assembly held on 12/07/1438 (09/04/2017). - Amendment No. (3): Articles 8 & 10 were amended by a resolution of the Ordinary General Assembly held on 09/04/1439 (27/12/2017). - Amendment No. (4): Article 8 was amended by a resolution of the Ordinary General Assembly held on 11/08/1440 (16/04/2019).</p>	<p>Article 21: Amendments - Amendment No. (1): Article 8 was amended by a resolution of the Ordinary General Assembly held on 21/04/1433 (14/03/2012). - Amendment No. (2): Regulations were amended by a resolution of the Extraordinary General Assembly held on 12/07/1438 (09/04/2017). - Amendment No. (3): Articles 8 & 10 were amended by a resolution of the Ordinary General Assembly held on 09/04/1439 (27/12/2017). - Amendment No. (4): Article 8 was amended by a resolution of the Ordinary General Assembly held on 11/08/1440 (16/04/2019). - Amendment No. (5): Regulations were amended by the Extraordinary General Assembly held on 08/05/1445 (22/11/2023).</p>



Nomination and Remuneration Committee

Current text of the Article	Text of the Article after amendment
<p>Introduction: This Regulations was prepared in accordance with the provisions of Articles (60 and 64) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, pursuant to Resolution No. 8-16-2017 dated 16/05/1438 corresponding to 13/02/2017, and Articles (54 and 58) of the Company's Governance Regulations.</p> <p>Definitions: The following words and expressions, wherever mentioned in these Regulations, shall have the meanings assigned thereto, unless the context requires otherwise.</p> <p>1. Company: Saudi Cement Company.</p> <p>2. Committee: Nomination and Remuneration Committee of the Saudi Cement Company.</p> <p>3. Board / Board of Directors: The Board of Directors of the Saudi Cement Company entrusted with the management of the company in order to achieve the interests of the shareholders.</p> <p>4. Members: Members of the Board of Directors elected by shareholders at the General Assembly meeting and those appointed by the Board of Directors to fill any vacant positions.</p> <p>5. Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company on full-time basis and does not participate in its daily business.</p> <p>6. Independent Member: A non-executive member of the Board of Directors who is fully independent in his position and decisions, and none of the criteria for lack of independence apply to him as stipulated in Article 20 of the Corporate Governance Regulations.</p>	<p>Introduction: This Regulations was prepared in accordance with the provisions of Articles (57 and 61) of the amended Corporate Governance Regulations issued by the Board of the Capital Market Authority, pursuant to Resolution No. 8-5-2023 dated 25/06/1444 corresponding to 18/01/2023.</p> <p>Definitions: The following words and expressions, wherever mentioned in these Regulations, shall have the meanings assigned thereto, unless the context requires otherwise.</p> <p>1. Company: Saudi Cement Company.</p> <p>2. Committee: Nomination and Remuneration Committee of the Saudi Cement Company.</p> <p>3. Board / Board of Directors: The Board of Directors of the Saudi Cement Company entrusted with the management of the company in order to achieve the interests of the shareholders.</p> <p>4. Members: Members of the Board of Directors elected by shareholders at the General Assembly meeting and those appointed by the Board of Directors to fill any vacant positions.</p> <p>5. Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company on full-time basis and does not participate in its daily business.</p> <p>6. Independent Member: A non-executive member of the Board of Directors who is fully independent in his position and decisions, and none of the criteria for lack of independence apply to him as stipulated in the Corporate Governance Regulations.</p>



Nomination and Remuneration Committee

<p>Article 1: Formation of the Committee:</p> <ol style="list-style-type: none"> 1. The Committee shall be formed by a decision of the Board of Directors for a period not exceeding the term of the Board of Directors that formed it. 2. In forming the Committee, the following shall be taken into account: <ol style="list-style-type: none"> a) The number of members of the Committee shall be three. b) Its members shall be non-executive members of the Board of Directors, provided that they include at least one independent member, and its members may be non-members of the Board of Directors, whether they are shareholders or others. c) The Capital Market Authority (CMA) shall be notified of the names of the members of the Committee and their membership within five working days from the date of their appointment or from the date of any changes thereto. 3. The Committee shall be responsible for its work before the Board of Directors. 4. The Committee has the authority to engage the services of internal or external experts and specialists to assist in carrying out its duties, subject to its defined powers. The minutes of the Committee's meeting shall include details of any such engagement, including the name of the expert or specialist and their relationship with the Company or the Executive Management. 5. The Chairman of the Committee or his deputy shall attend the general assemblies to answer the questions of the shareholders. 	<p>Article 1: Formation of the Committee:</p> <ol style="list-style-type: none"> 1. The Committee shall be formed by a decision of the Board of Directors for a period not exceeding the term of the Board of Directors that formed it. 2. In forming the Committee, the following shall be taken into account: <ol style="list-style-type: none"> a) The number of members of the Committee shall be three. b) Its members shall be non-executive members of the Board of Directors, provided that they include at least one independent member, and its members may be non-members of the Board of Directors, whether they are shareholders or others, provided that the Committee Chairman shall be an independent member. c) The Capital Market Authority (CMA) shall be notified of the names of the members of the Committee and their membership within five working days from the date of their appointment or from the date of any changes thereto. 3. The Committee shall be responsible for its work before the Board of Directors. 4. The Committee has the authority to engage the services of internal or external experts and specialists to assist in carrying out its duties, subject to its defined powers. The minutes of the Committee's meeting shall include details of any such engagement, including the name of the expert or specialist and their relationship with the Company or the Executive Management. 5. The Chairman of the Committee or his deputy shall attend the general assemblies to answer the questions of the shareholders.
<p>Article 2: Objectives of the Regulations Based on the Board of Directors' decision to form a Nomination and Remuneration Committee in application of paragraph (7) of Article (50) of the</p>	<p>Article 2: Objectives of the Regulations: Based on the Board of Directors' decision to form a Nomination and Remuneration Committee in application of paragraph (7) of Article (47) of the</p>



Nomination and Remuneration Committee

<p>Corporate Governance Regulations, and based on the Board of Directors' proposal, this Regulations was approved by the General Assembly with the aim of defining the tasks of the Nomination and Remuneration Committee and its term, powers and authorities delegated thereto, and how the Board oversees it, while the Board remains responsible for those powers or authorities delegated thereto.</p>	<p>Corporate Governance Regulations, and based on the Board of Directors' proposal, this Regulations was approved by the General Assembly with the aim of defining the committee's work controls and procedures, its tasks, and the rules for selecting its members and their remuneration and its term, powers and authorities delegated thereto, and how the Board oversees it, while the Board remains responsible for those powers or authorities delegated thereto.</p>
<p>Article 3: Powers of the Committee: The Nomination and Remuneration Committee shall be specialized in the following:</p> <ol style="list-style-type: none"> 1- Proposing clear criteria and standards for membership in the Board of Directors and executive management. 2- Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies, controls and standards, taking into account not to nominate any person previously convicted of a crime against trust. 3- Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and the positions of Executive Management. 4- Carrying out annual review of the necessary requirements for appropriate skills or experience for the membership of the Board of Directors and the positions of the Executive Management. 5- Reviewing the structure of the Board of Directors and Executive Management, and recommending changes that can be made to the Board. 6- Identifying the strengths and weaknesses of the Board and proposing solutions to address them in a manner that aligns with the Company's best interests. 	<p>Article 3: Powers of the Committee: The Nomination and Remuneration Committee shall be specialized in the following:</p> <ol style="list-style-type: none"> 1- Proposing clear criteria and standards for membership in the Board of Directors and executive management. 2- Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies, standards, taking into account not to nominate any person previously convicted of a crime against trust. 3- Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and the positions of Executive Management. 4- Carrying out annual review of the necessary requirements for appropriate skills or experience for the membership of the Board of Directors and the positions of the Executive Management. 5- Reviewing the structure of the Board of Directors and Executive Management, and recommending changes that can be made to the Board. 6- Identifying the strengths and weaknesses of the Board and proposing solutions to address them in a manner that aligns with the Company's best interests.



Nomination and Remuneration Committee

<p>7- Conducting an annual verification of members' independence and ensuring the absence of any conflicts of interest, particularly in cases where a member also serves on the Board of Directors for another company.</p> <p>8- Developing job descriptions for Senior Executives, Executive Members, Non-Executive Members, and Independent Members.</p> <p>9- Creating special procedures to be followed in the event of a vacancy in the position of a Board of Directors member or Senior Executives.</p> <p>10- Drafting the a clear Remuneration Regulations for the members of the Board of Directors, its committees, and Executive Management, for approval by the General Assembly. The policy should comply with the standards related to performance, disclosure, and verification of implementation.</p> <p>11- Clarifying the relationship between the granted remuneration and the applicable Remuneration Policy Regulations, and disclosing any material deviation from this Regulations.</p> <p>12- Conducting periodic revisions of the Remuneration Regulations and assessing their effectiveness in achieving the intended objectives.</p> <p>13- Recommending the remuneration of Board of Directors members, its committees, and Senior Executives of the Company to the Board of Directors, in line with the approved Remuneration Regulations.</p>	<p>7- Conducting an annual verification of the independence of independent members and ensuring the absence of any conflicts of interest, particularly in cases where a member also serves on the Board of Directors for another company.</p> <p>8- Developing job descriptions for Senior Executives, Executive Members, Non-Executive Members, and Independent Members.</p> <p>9- Creating special procedures to be followed in the event of a vacancy in the position of a Board of Directors member or Senior Executives.</p> <p>10- Drafting a clear Remuneration Regulations for the members of the Board of Directors, its committees, and Executive Management, for approval by the General Assembly. The policy should comply with the standards related to performance, disclosure, and verification of implementation.</p> <p>11- Clarifying the relationship between the granted remuneration and the applicable Remuneration Policy Regulations, and disclosing any material deviation from this Regulations.</p> <p>12- Conducting periodic revisions of the Remuneration Regulations and assessing their effectiveness in achieving the intended objectives.</p> <p>13- Recommending the remuneration of Board of Directors members, its committees, and Senior Executives of the Company to the Board of Directors, in line with the approved Remuneration Regulations.</p> <p>14- Determining the time that the member shall allocate to the work of the Board of Directors.</p>
<p>Article 4: Nomination Procedures: 1. When nominating the members of the Board of Directors, the Committee shall take into</p>	<p>Article 4: Nomination Procedures: 1. When nominating the members of the Board of Directors, the Committee shall take into</p>



Nomination and Remuneration Committee

<p>account the provisions of the Company's Corporate Governance Regulations and the requirements decided by the CMA.</p> <p>2. The number of nominees for the Board of Directors whose names are submitted to the General Assembly shall exceed the number of seats available, so that the General Assembly has the opportunity to choose from among the nominees.</p> <p>3. The provisions of the Company's Corporate Governance Regulations shall not prejudice the right of each shareholder in the Company to nominate himself or others for membership of the Board of Directors in accordance with the provisions of the Companies Law and its Executive Regulations.</p>	<p>account the provisions of the Company's Corporate Governance Regulations and the requirements decided by the CMA.</p> <p>2. The number of nominees for the Board of Directors whose names are submitted to the General Assembly shall exceed the number of seats available, so that the General Assembly has the opportunity to choose from among the nominees.</p> <p>3. The provisions of the Company's Corporate Governance Regulations shall not prejudice the right of each shareholder in the Company to nominate himself or others for membership of the Board of Directors in accordance with the provisions of the Companies Law and its Executive Regulations.</p>
<p>Article 5: Publication of the Nomination Announcement: The Company shall publish the nomination announcement on the Company's website (if available), the CMA's website, and any other means determined by the CMA, to invite individuals interested in running for membership of the Board of Directors. The nomination period shall remain open for at least one month from the date of the announcement.</p>	<p>Article 5: Publication of the Nomination Announcement: The Company shall publish the nomination announcement on the Company's website, the CMA's website, and any other means determined by the CMA, to invite individuals interested in running for membership of the Board of Directors. The nomination period shall remain open for at least one month from the date of the announcement.</p>
<p>Article 6: Remuneration Controls and Standards: Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the following shall be taken into account in the remuneration controls and standards:</p> <ol style="list-style-type: none"> 1. To be consistent with the Company's strategy and objectives. 2. Providing remunerations to incentivize the members of the Board of Directors and Executive Management to drive the long-term success and growth of the Company. This can be achieved by linking the variable portion of 	<p>Article 6: Remuneration Controls and Standards: Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the following shall be taken into account in the remuneration controls and standards:</p> <ol style="list-style-type: none"> 1. To be consistent with the Company's strategy and objectives. 2. Providing remunerations to incentivize the members of the Board of Directors and Executive Management to drive the long-term success and growth of the Company. This can be achieved by linking the variable portion of



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<p>the remuneration to long-term performance and other relevant factors.</p> <ol style="list-style-type: none"> 3. Determine the remunerations based on job level, tasks and responsibilities assigned to the incumbent, educational qualifications, work experience, skills, and level of performance. 4. To be consistent with the size, nature and degree of risk of the Company. 5. To take into account the practices of other companies in determining remuneration, while avoiding the resulting unjustified rise in remuneration and compensation. 6. Aim to attract, retain, and motivate professional competencies without overemphasizing them. 7. To take into account cases of suspension or refund of the remuneration if it is found that it was decided based on inaccurate information provided by a member of the Board of Directors or the Executive Management, in order to prevent the exploitation of the employment situation to obtain undue bonuses. 8. Organize the allocation of shares to the members of the Board of Directors and Executive Management, whether through new share issuance or by the Company's purchasing of shares. 	<p>the remuneration to long-term performance and other relevant factors.</p> <ol style="list-style-type: none"> 3. Determine the remunerations based on job level, tasks and responsibilities assigned to the incumbent, educational qualifications, work experience, skills, and level of performance. 4. To be consistent with the size, nature and degree of risk of the Company. 5. To take into account the practices of other companies in determining remuneration, while avoiding the resulting unjustified rise in remuneration and compensation. 6. Aim to attract, retain, and motivate professional competencies without overemphasizing them. 7. To take into account cases of suspension or refund of the remuneration if it is found that it was decided based on inaccurate information provided by a member of the Board of Directors or the Executive Management, in order to prevent the exploitation of the employment situation to obtain undue bonuses. 8. Organize the allocation of shares to the members of the Board of Directors and Executive Management, whether through new share issuance or by the Company's purchasing of shares.
<p>Article 7: Remuneration of the Board Members: The remuneration of the members of the Nomination and Remuneration Committee shall be in accordance with the provisions of the Board of Directors' Remuneration Regulations.</p>	<p>Article 7: Remuneration of the Board Members: The remuneration of the members of the Nomination and Remuneration Committee shall be in accordance with the provisions of the Remuneration Regulations of the Members of the Board of Directors, Its Committees and the Executive Management.</p>
<p>Article 8: Committee Meetings: 1. The Committee shall meet at the invitation of its Chairman and the meeting of the Committee shall not be valid unless attended by at least two (2) members, periodically every six months</p>	<p>Article 8: Committee Meetings: 1. The Committee shall meet at the invitation of its Chairman and the meeting of the Committee shall not be valid unless attended by at least two (2) members, periodically every</p>



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<p>at least, and may meet whenever the need arises. A committee member may not delegate someone else to attend committee meetings, and the Committee's decisions are issued by a majority of the opinions of those present.</p> <p>2. The meetings of the Committee shall be documented, and minutes shall be prepared, which include the discussions, deliberations, recommendations, and voting results. These minutes shall be kept in a special and organized register, along with the names of the attending members and any reservations they expressed (if any). All attending members shall sign these minutes.</p> <p>3. The Committee's meetings are limited to its members, including the Secretary of the Committee and members of the Committees. No other members of the Board of Directors or Executive Management shall attend unless the Committee specifically requests their input or advice.</p> <p>4. The Nomination and Remuneration Committee may use modern technology in its meetings, including: Meeting through audio conference calls and visual communication and the member who uses these modern means shall be considered present.</p>	<p>six months at least, and may meet whenever the need arises. A committee member may not delegate someone else to attend committee meetings, and the Committee's decisions are issued by a majority of the opinions of those present.</p> <p>2. The meetings of the Committee shall be documented, and minutes shall be prepared, which include the discussions, deliberations, recommendations, and voting results. These minutes shall be kept in a special and organized register, along with the names of the attending members and any reservations they expressed (if any). All attending members shall sign these minutes.</p> <p>3. The Committee's meetings are limited to its members, including the Secretary of the Committee and members of the Committees. No other members of the Board of Directors or Executive Management shall attend unless the Committee specifically requests their input or advice.</p> <p>4. The Nomination and Remuneration Committee may use modern technology in its meetings, including: Meeting through audio conference calls and visual communication and the member who uses these modern means shall be considered present.</p>
<p>Article 9: Chairman and Secretary: The Committee shall choose from among its members a chairman, appoint a secretary who shall prepare the minutes of its meetings and undertake the administrative work of the Committee.</p>	<p>Article 9: Chairman and Secretary: The Committee shall choose from among its members a chairman, appoint a secretary who shall prepare the minutes of its meetings and undertake the administrative work of the Committee.</p>
<p>Article 10: Vacant Position: If the position of one of the members of the Committee becomes vacant during the term of office, the Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor. The</p>	<p>If the position of one of the members of the Committee becomes vacant during the term of office, the Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor. The position of a member of the Committee shall be</p>



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<p>position of a member of the Committee shall be vacated due to death or disability, as well as if he is exempted by a decision of the Board of Directors, or for any other reason.</p>	<p>vacated due to death or disability, as well as if he is exempted by a decision of the Board of Directors, or for any other reason. The Company shall notify the Capital Markit Authority of the names of the members of the committees and their membership within five working days from the date of appointment of the member and any changes thereto within five working days of the changes.</p>
<p>Article 11: Confidentiality: A Committee member shall maintain the Company's secrets as a Board member, and Committee members may not disclose to shareholders or others what they have learned.</p>	<p>Article 11: Confidentiality: A Committee member shall maintain the Company's secrets as a Board member, and Committee members may not disclose to shareholders or others what they have learned.</p>
<p>Article 12: Amendment of the Regulations: The Board of Directors is permitted to propose amendments to this Regulations to address new practical requirements, resolutions, or instructions issued by competent government authorities. Any proposed amendments shall be presented to the General Assembly during its first meeting.</p>	<p>Article 12: Amendment of the Regulations: The Board of Directors is permitted to propose amendments to this Regulations. Any proposed amendments shall be presented to the General Assembly during its first meeting.</p>



Regulations on Board Membership Standards and Procedures

Before the amendment

First: Introduction:

The Saudi Cement Company (SCC) has committed itself to have a board of directors comprising people with competence, experience, leadership skills, capacity to steer and guide, financial literacy and physical fitness, who work in the best interest of shareholders in the short and long term, and in the manner that makes the Company grow and realize its objectives within the framework of Company's Governance Regulations and in compliance with the relevant laws and regulations.

Second: Purpose of Regulations:

These Regulations aim to set clear and specific standards and procedures for membership of SCC's Board of Directors, pursuant to Para 3 of Article 22 of the Corporate Governance Regulations issued by CMA Board under Decision No. (8-16-2017) dated 16/05/1438 AH corresponding to 13/02/2017 AD and the Company's Governance Regulations.

Third: Definitions:

Company (SCC): Saudi Cement Company.

Board: the board of directors of Saudi Cement Company entrusted with management of the Company to achieve interests of shareholders.

Board Member: the board member appointed under nomination by the General Assembly or appointed by the Board of Directors as a replacement member in the vacant office.

Applicant: the person who applies for board membership of the Company.

Nominee: the person nominated for board membership by the Nomination and Remuneration Committee.

Entity/ Enterprise: the establishment or company in whatever legal form, or any other corporate body having financial liability.

Competitor: the entity which engages in manufacturing, producing, marketing or distributing all types and derivatives of cement or clinker, blocks, concrete and other industries associated with use of

After amendment

First: Introduction:

The Saudi Cement Company (SCC) has committed itself to have a board of directors comprising people with competence, experience, leadership skills, capacity to steer and guide, financial literacy and physical fitness, who work in the best interest of shareholders in the short and long term, and in the manner that makes the Company grow and realize its objectives within the framework of Company's Governance Regulations and in compliance with the relevant laws and regulations.

Second: Purpose of Regulations:

These Regulations aim to set clear and specific standards and procedures for membership of SCC's Board of Directors, pursuant to Para 3 of Article 21 of the Corporate Governance Regulations issued by CMA Board under Decision No. (8-16-2017) dated 16/05/1438 AH corresponding to 13/02/2017 AD and its amendments and the Company's Governance Regulations.

Third: Definitions:

Company (SCC): Saudi Cement Company.

Board: the board of directors of Saudi Cement Company entrusted with management of the Company to achieve interests of shareholders.

Board Member: the board member appointed under nomination by the General Assembly or appointed by the Board of Directors as a replacement member in the vacant office.

Applicant: the person who applies for board membership of the Company.

Nominee: the person nominated for board membership by the Nomination and Remuneration Committee.

Entity/ Enterprise: the establishment or company in whatever legal form, or any other corporate body having financial liability.

Competitor: the entity which engages in manufacturing, producing, marketing or distributing all types and derivatives of cement or clinker, blocks, concrete and other industries associated with use of



cement and clinker, activities of affiliates or any entity which engages in an activity that is directly or indirectly linked to the activities above mentioned.

Competitive Activity: any activity practiced by the competitor.

Relatives or Kinship:

- ~~Fathers, mothers, grandfathers and grandmothers.~~
- ~~Sons and daughters.~~
- ~~Brothers and sisters.~~
- ~~Spouses.~~

Fourth: Composition of the Board of Directors:

The following conditions shall be complied with when forming the Board of Directors:

1. The majority of Board members shall be non-executives.
2. The number of independent members shall not be less than one third of the Board members.

Fifth: Appointment of Board Members:

1. The Company shall be managed by a board of directors ~~composed of eleven members~~, who are elected by the Ordinary General Assembly of shareholders by cumulative voting and ~~for a three-year term of office~~. Board members may be re-elected for another Term.
2. The Board of Directors shall appoint a Board member in case of any vacancy in Board membership seats, subject to the relevant provisions contained in the Company's Bylaws and Governance Regulations.
3. The Company shall notify CMA of the names of Board members and their type of membership within five working days as from the starting date of board session or from the date of their appointment, whichever is earlier, and within five working days from the date of any changes made to membership.

Sixth: Board Membership Conditions and Standards:

1. A Board member shall have professional competence with the necessary experience, knowledge, skill and independence that enable him to

cement and clinker, activities of affiliates or any entity which engages in an activity that is directly or indirectly linked to the activities above mentioned.

Competitive Activity: any activity practiced by the competitor **according to the details mentioned in the Regulations on Competitive Activity Standards.**

Fourth: Composition of the Board of Directors:

The following conditions shall be complied with when forming the Board of Directors:

1. The majority of Board members shall be non-executives.
2. The number of independent members shall not be less than one third of the Board members.

Fifth: Appointment of Board Members:

1. The Company shall be managed by a board of directors who are elected by the Ordinary General Assembly of shareholders by cumulative voting **and according to the duration of Board period mentioned in the company's bylaws**. Board members may be re-elected for another Term.
2. The Board of Directors shall appoint a Board member in case of any vacancy in Board membership seats, subject to the relevant provisions contained in the Company's Bylaws **and the Company's Governance Regulations**.
3. The Company shall notify CMA of the names of Board members and their type of membership within five working days as from the starting date of board session or from the date of their appointment, whichever is earlier, and within five working days from the date of any changes made to membership.

Sixth: Board Membership Conditions and Standards:

1. A Board member shall have professional competence with the necessary experience, knowledge, skill and independence that enable him to



perform his duties efficiently and competently. In particular, he shall meet the following conditions:

- A. **Leadership Capacity:** to have the leadership skills that qualify him to accord powers to subordinates in the manner that stimulate performance, apply the best practices with regard to effective management, and comply with professional values and ethics.
- B. **Competence:** To have the necessary academic qualifications (B.A. degree as a minimum), appropriate professional and personal skills, training, and hands-on experiences related to the Company's current and future activities, administration, economics, accounting, law or governance, in addition to the passion to learn and train.
- C. **Capacity to Direct:** to have the necessary technical, leadership, and managerial capabilities as well as the skills relating to quick decision-making, comprehension of technical requirements related to workflow, strategic direction and planning with a clear vision of the future.
- D. **Financial Literacy:** To be able to read and understand financial statements and reports. This requires that the applicant submits proof of board membership of other companies or having a university degree or higher in the area of accounting, finance, business administration or having received specialized courses in reading and understanding financial statements and reports.
- E. **Physical Fitness:** To have no health issue that may prevent him from performing his duties and tasks.
- F. He shall not have been convicted of an offence prejudicial to honor or integrity.
- G. He shall not be banned from work in joint stock companies by a decision of CMA or other bodies regulating capital markets inside or outside the Kingdom.
- H. The applicant ~~or any of his relatives~~ may not be involved, at the time of

perform his duties efficiently and competently. In particular, he shall meet the following conditions:

- A. **Leadership Capacity:** to have the leadership skills that qualify him to accord powers to subordinates in the manner that stimulate performance, apply the best practices with regard to effective management, and comply with professional values and ethics.
- B. **Competence:** To have the necessary academic qualifications (B.A. degree as a minimum), appropriate professional and personal skills, training, and hands-on experiences related to the Company's current and future activities, administration, economics, accounting, law or governance, in addition to the passion to learn and train.
- C. **Capacity to Direct:** to have the necessary technical, leadership, and managerial capabilities as well as the skills relating to quick decision-making, comprehension of technical requirements related to workflow, strategic direction and planning with a clear vision of the future.
- D. **Financial Literacy:** To be able to read and understand financial statements and reports. This requires that the applicant submits proof of board membership of other companies or having a university degree or higher in the area of accounting, finance, business administration or having received specialized courses in reading and understanding financial statements and reports.
- E. **Physical Fitness:** To have no health issue that may prevent him from performing his duties and tasks.
- F. He shall not have been convicted of an offence prejudicial to honor or integrity.
- G. He shall not be banned from work in joint stock companies by a decision of CMA or other bodies regulating capital markets inside or outside the Kingdom.
- H. The applicant may not be involved, at the time of application, in any activity that is competitive with Company or its affiliates, within the geographical boundaries of KSA, and boundaries of



application, in any activity that is competitive with Company or its affiliates, within the geographical boundaries of KSA, and boundaries of countries of the Company's affiliates, and in particular the following:

- The applicant's establishment of a company or sole proprietorship or possession of 5% or more of shares or stocks of a competitor.
 - The applicant should not be a board member of a competitor or holds an executive position of a competitor.
 - ~~The applicant who is a natural person representing a legal person should not be a board member or a committee member or holds an executive position of a competitor.~~
 - The applicant should not have a commercial agency or the like, whether apparent or hidden, of a competitor.
 - The applicant should not be a committee member of a competitor.
 - The applicant should not one of those providing technical, administrative or consulting works to any competitor.
- I. The Nomination and Remuneration Committee shall approve him as a qualified applicant who has met the above conditions.
 - J. At the time of application for Board membership, he shall not be a board member of five joint stock companies listed on the stock market.
2. When electing Board members, the General Assembly shall take into account the recommendations of the Nomination and Remuneration Committee, and check if the applicant meets the personal and professional qualifications that are necessary to efficiently perform managerial duties in accordance with Para 1 of this Article.

Seventh: Board Membership Procedures:

countries of the Company's affiliates, and in particular the following:

- The applicant's establishment of a company or sole proprietorship or possession of 5% or more of shares or stocks of a competitor.
 - The applicant should not be a board member of a competitor or holds an executive position of a competitor.
 - The applicant should not have a commercial agency or the like, whether apparent or hidden, of a competitor.
 - The applicant should not be a committee member of a competitor.
 - The applicant should not be one of those providing technical, administrative or consulting works or an employee to any competitor.
- I. The Nomination and Remuneration Committee shall approve him as a qualified applicant who has met the above conditions.
 - J. At the time of application for Board membership, he shall not be a board member of five joint stock companies listed on the stock market.
2. When electing Board members, the General Assembly shall take into account the recommendations of the Nomination and Remuneration Committee, and check if the applicant meets the personal and professional qualifications that are necessary to efficiently perform managerial duties in accordance with Para 1 of this Article.

Seventh: Board Membership Procedures:



1. When announcing the opening of candidacy for Board membership, the Company shall abide by the Companies Law, Capital Market Law and their implementing regulations, and publish an announcement to that effect for those wishing to run for Board membership on the Company's website (~~if any~~), CMA's website and any other means specified by CMA. The candidacy shall be open for at least one month from the date of the announcement.
 2. Whoever wishes to run for Board membership when the Company announces the opening of candidacy, shall submit a request for nomination to the Company's Nomination and Remuneration Committee accompanied by the following documents:
 - A. A CV with copies of his qualifications and experience certificates in the field of corporate business management, whether directly through an executive position he held, or indirectly through members of boards of directors.
 - B. The applicant who was a board member of a joint stock Company (inside or outside the Kingdom) shall submit a statement of such company/companies.
 - C. The applicant shall submit a statement of the companies or establishments that he is a member of their boards of directors or holds a share therein, and disclose whether or not these companies carry out business similar to that of the Company or have contracts or common interests with the Company.
 - D. The applicant shall submit a statement of the joint stock companies and other establishments that he is expected to be a board member therein or take part in managing them during the session of the board membership he runs for.
 - ~~E. If the applicant was previously a Board member of SCC, he shall~~
1. When announcing the opening of candidacy for Board membership, the Company shall abide by the Companies Law, Capital Market Law and their implementing regulations, and publish an announcement to that effect for those wishing to run for Board membership on the Company's website, CMA's website and any other means specified by CMA. The candidacy shall be open for at least one month from the date of the announcement.
 2. Whoever wishes to run for Board membership when the Company announces the opening of candidacy, shall submit a **written** request for nomination to the Company's Nomination and Remuneration Committee accompanied by the following documents:
 - A. A CV **in both Arabic and English language** with copies of his qualifications and experience certificates in the field of corporate business management, whether directly through an executive position he held, or indirectly through members of boards of directors.
 - B. **Submitting a signed copy in Arabic and English of the nomination forms for membership in the Board of Directors issued by the Capital Market Authority and the Saudi Tadawul Company.**
 - C. The applicant who was a board member of a joint stock Company (inside or outside the Kingdom) shall submit a statement of such company/companies.
 - D. The applicant shall submit a statement of the companies or establishments that he is a member of their boards of directors or holds a share therein, and disclose whether or not these companies carry out business similar to that **or competitive** of the Company or have contracts or



~~submit a statement issued by the Company's management in the last session in which he held the position of Board member, including the following information:~~

- ~~1) A statement of the number of board meetings that took place during each year of that session, the number of meetings that he attended in person, and the percentage of his attendance to the total board meetings.~~
- ~~2) A statement of the specialized committees of which he was a member, the number of meetings held by each of those committees during each year of that session, the number of meetings he attended, and the percentage of his attendance to the total meetings.~~
- ~~3) A summary of the financial results achieved by the Company during each year of that session.~~

3. The Nomination and Remuneration Committee shall submit its recommendation to the Board of Directors regarding nomination for Board membership in accordance with the above membership conditions.

Eighth: Disclosure of Conflict of Interest:

When elected to the Board membership, the applicant shall provide the required disclosures in accordance with the Conflict of Interest Regulations for Board Members and Senior Executives.

Ninth: Termination of Membership:

The Board membership shall expire/be terminated according to the relevant provisions of the Companies Law, the Company's Bylaws and Regulations.

common interests with the Company.

- E. The applicant shall submit a statement of the joint stock companies and other establishments that he is expected to be a board member therein or take part in managing them during the session of the board membership he runs for.
3. The Nomination and Remuneration Committee shall submit its recommendation to the Board of Directors regarding nomination for Board membership in accordance with the above membership conditions.
4. The Nomination and Remuneration Committee may exclude any candidate who does not meet the conditions and criteria for membership mentioned in these regulations. It may also exclude incomplete nomination applications submitted during the period when nominations are open.

Eighth: Disclosure of Conflict of Interest:

When elected to the Board membership, the applicant shall provide the required disclosures in accordance with the Conflict of Interest Regulations for Board Members and Senior Executives and Employees and the Regulations on Competitive Activity Standards.

Ninth: Termination of Membership:

The Board membership shall expire/be terminated according to the relevant provisions of the Companies Law, the Company's Bylaws and Regulations.



Tenth: Amendment of Regulations:

The Board of Directors may propose amendment to these regulations according to the new process requirements, decisions, or instructions issued by the competent government agencies, provided that this amendment is presented to the General Assembly at its first meeting for approval.

Tenth: Amendment of Regulations:

The Board of Directors may propose amendment to these regulations according to the new process requirements, decisions, or instructions issued by the competent government agencies, provided that this amendment is presented to the General Assembly at its first meeting for approval.



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

Current text of the Article	Text of the Article after amendment
<p>Having taken cognizance of the Companies Law enacted by Royal Decree No. (M/3) dated 28/01/1437 AH, especially Article 76, which stipulates:</p> <p>Article 76:</p> <p>1.—— The company's articles of association shall determine the remuneration of members of the Board of Directors. such remuneration may be a fixed amount, an allowance for attending meetings, in kind benefits, or certain percentage of net profit; and two or more of such benefits may be combined.</p> <p>2.—— If the Company achieves profits, a percentage not exceeding 10% of the net profits may be distributed, after deduction of the reserves established by the General Assembly in implementation of the provisions of the Law and the company's articles of association, and after distribution of dividends to the shareholders of not less than 5% of the Company's paid-up capital. The entitlement to this remuneration shall be proportionate to the number of meetings attended by the directors. Any estimation contradicting this clause shall be invalid.</p> <p>3.—— In all cases, the total amount of monetary or in-kind remuneration and benefits received by a Board member shall not exceed five hundred thousand riyals</p>	



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

~~annually, according to the controls established by competent authority.~~

~~4.—— The Board of Directors' report to the Ordinary General Assembly shall contain a comprehensive statement of all of what the directors received during the financial year, including remunerations, allowances for expenses and other benefits. The said report shall also contain a statement of what the Board members received in their capacity as employees or managers, or what they received in return for technical, administrative or consultative services. It shall also contain a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.~~

~~5.—— The General Assembly may, upon the recommendation of the Board, terminate the membership of any member who is absent from three consecutive meetings of the Board without a legitimate excuse.~~

~~Having reviewed the Guidelines for Regulatory Controls and Procedures issued in implementation of the Companies Law for Listed Joint Stock Companies, especially the clarification of paragraph (a) of Article 2 of the Guide, which stipulates:~~



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Article 2 – a:	Explanation
<p>1) Subject to other relevant laws and regulations issued by other regulatory authorities, the Board of Directors shall take into account in determining and disbursing the remuneration received by each of its members the relevant provisions contained in the Companies Law and the Corporate Governance Regulations, in addition to the following criteria:</p>	<p>-</p>



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>1) The remuneration shall be fair and proportionate to the member's terms of reference, the work and responsibilities carried out and borne by the members of the Board of Directors, in addition to the objectives specified by the Board of Directors to be achieved during the fiscal year.</p>	<p>The Company's Remuneration Committee may set other detailed criteria and policies based on which the amount of remuneration of the members of the Board of Directors and their eligibility for such remuneration shall be determined in principle in accordance with the criteria mentioned in this sub-paragraph and in the Corporate Governance Regulations.</p>	
<p>2) Remuneration shall be based on the recommendation of the Remuneration Committee.</p>	<p>This recommendation shall set out the remuneration to which each member of the Board of Directors is entitled in accordance with any other relevant criteria or policies on which such recommendation (if any) is based.</p>	



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>3) The remuneration shall be commensurate with the company's activity and the skill necessary for its management.</p>	<p>-</p>		
<p>4) The sector in which the company operates, its size and the experience of the members of the Board of Directors shall be taken into account.</p>	<p>This includes, for example, sectors that require special professional skills and experience, such as banks, insurance companies and complex industries, in addition to taking into account the size of the company, the size of its operations and other countries in which it carries out its activities, as well as the experience of the members of the Board of Directors in the work related to the company.</p>		
<p>5) The remuneration shall be reasonably sufficient to attract, motivate and retain board</p>	<p>Subject to the maximum limit (SAR 500,000) mentioned in paragraph (3) of Article 76 of the Companies Law.</p>		



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>members with appropriate competence and experience.</p>		
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Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

Article 3	Explanation	
<p>A member of the Board of Directors may receive remuneration for his membership in the Audit Committee formed by the General Assembly, or for any executive, technical, administrative or advisory work or positions— under a professional license— assigned to him in the Company, in addition to the remuneration that he may receive as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.</p>	<p>It means that the total remuneration of a member of the Board of Directors obtained in return for his membership in the Audit Committee formed by the General Assembly or in return for any additional executive, technical, administrative or advisory work or positions— under a professional license— assigned to him in the Company does not fall within the scope of the maximum remuneration stipulated in paragraph (4) of Article 76 of the Companies Law.</p>	<p>Having reviewed the Companies Law, its Implementing Regulations for the Listed Joint Stock Companies, and Saudi Cement Company Bylaw and the Corporate Governance Regulations issued by the Capital Market Authority, this document, called the "Remuneration Regulations of the Members of the Board of Directors, Its Committees and the Executive Management", has been prepared in accordance with the following provisions:</p> <p>First: General Provisions:</p> <p>1- Definitions:</p> <p>A. Company: Saudi Cement Company.</p>



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~~As well as the clarification of Article 3 of the same Guide which states:~~

Having reviewed the Saudi Cement Company Bylaw and the Corporate Governance Regulations issued by the Capital Market Authority, this document, called the "Board of Directors' Remuneration Regulations", has been prepared in accordance with the following provisions:

First: General Provisions:

1- Definitions:

- A. Company: Saudi Cement Company.
- B. Board/Board of Directors: Board of Directors of the Saudi Cement Company.
- C. Committee(s): Committees formed permanently based on requirements bound by government laws and regulations or work requirements within the company.
- D. Board Member/Member: means a member of the Board of Directors appointed by virtue of the nomination of the General Assembly or appointed by the Board of Directors as an alternative member in a vacant position.
- E. External Member: A member of the Committee who does not serve as a member of the Board of Directors of the Company.

B. Board/Board of Directors: Board of Directors of the Saudi Cement Company.

C. Committee(s): Committees formed permanently based on requirements bound by government laws and regulations or work requirements within the company.

D. Board Member/Member: means a member of the Board of Directors appointed by virtue of the nomination of the General Assembly or appointed by the Board of Directors as an alternative member in a vacant position.

E. External Member: A member of the Committee who does not serve as a member of the Board of Directors of the Company.

F. Executive Management/Senior Executives: Persons entrusted with managing the company's day-to-day operations, proposing and implementing strategic decisions, such as the CEO and positions associated with the CEO, including the Chief Financial Officer.

2- This Regulations shall determine the remuneration and compensation to be paid to the members of the Board of Directors in return for their membership in the Board of Directors of the Company or the committees, subject to the provisions of paragraph (3) below.



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>F. Executive Management/Senior Executives: Persons entrusted with managing the company's day-to-day operations, proposing and implementing strategic decisions, such as the CEO and positions associated with the CEO, including the Chief Financial Officer.</p> <p>2- This Regulations shall determine the remuneration and compensation to be paid to the members of the Board of Directors in return for their membership in the Board of Directors of the Company or the committees, subject to the provisions of paragraph (3) below.</p> <p>3- This Regulations shall determine the remuneration of the members of the Audit Committee in accordance with the attached table, and shall be disbursed in accordance with the Audit Committee's Regulations.</p> <p>4- This Regulations shall determine the remuneration of the Chairman of the Board of Directors for his work as Chairman of the Board of Directors as determined by the Government Regulations and the Company's Bylaw.</p> <p>5- This Regulations shall set out the rules for remuneration of senior executives in the company.</p> <p>6- A member of the Board of Directors may not participate in more than two committees of the Board.</p>	<p>3- This Regulations shall determine the remuneration of the members of the Audit Committee in accordance with the attached table, and shall be disbursed in accordance with the Audit Committee's Regulations.</p> <p>4- This Regulations shall determine the remuneration of the Chairman of the Board of Directors for his work as Chairman of the Board of Directors.</p> <p>5- This Regulations shall set out the rules for remuneration of senior executives in the company.</p> <p>6- A member of the Board of Directors may not participate in more than two committees of the Board.</p> <p>7- Members of the committees of the Board of Directors may be appointed from outside the Board and they shall be rewarded in accordance with what is determined by these Regulations.</p> <p>8- The annual remuneration of the Board member shall be paid based on the recommendation of the Nomination and Remunderation Committee and in proportion to the number of meetings attended by the Board member.</p> <p>9- The annual remuneration of the committee members shall be paid in proportion to the number of meetings attended by the committee member.</p> <p>10- A member of the Board of Directors may receive remuneration for any additional executive, technical,</p>
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Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>7- Members of the committees of the Board of Directors may be appointed from outside the Board and they shall be rewarded in accordance with what is determined by these Regulations.</p> <p>8- The annual remuneration of the Board member shall be paid in proportion to the number of meetings attended by the Board member.</p> <p>9- The annual remuneration of the committee members shall be paid in proportion to the number of meetings attended by the committee member.</p>	<p>administrative or advisory work or positions-under a professional license- assigned to him by the Company, in addition to the remuneration that he may receive as a member of the Board of Directors or committees formed by the Board of Directors.</p> <p>11- A member of the Board of Directors may not vote on the item of remuneration of the members of the Board of Directors at the General Assembly meeting.</p>
<p>Second: Remuneration for the Chairman, Members and Secretary of the Board of Directors:</p> <p>The remuneration of the Chairman, Members of the Board of Directors and the Secretary of the Board of Directors shall be determined according to the attached table.</p>	<p>Second: Remuneration for the Chairman, Members and Secretary of the Board of Directors:</p> <p>The remuneration of the Chairman of the Board of Directors and the Secretary of the Board of Directors shall consist of a certain amount, and the remuneration of the members of the Board of Directors shall consist of an annual remuneration and travel expenses allowance, according to the attached remuneration table.</p>
<p>Third: Remuneration for Senior Executives:</p> <p>Leaders in the company shall bear an additional burden in terms of responsibility and commitment, and their actions and decisions have a significant impact on the company's performance and annual results, and they are given incentive and incentive rewards that are</p>	<p>Third: Remuneration for Senior Executives:</p> <p>Leaders in the company shall bear an additional burden in terms of responsibility and commitment, and their actions and decisions have a significant impact on the company's performance and annual results, and they are given incentive and incentive rewards that are commensurate</p>



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>commensurate with the foregoing. In this Regulations, the company has set rules for remuneration granted to senior executives in order to encourage and motivate them to retain and maintain them within the company's executive team.</p> <p>When determining the remuneration for senior executives, including the Chief Executive Officer, the following shall be taken into account:</p> <ul style="list-style-type: none"> A. The remuneration shall be proportional to the effort expended. B. The remuneration shall be commensurate with the extent of commitment to achieving the company's objectives. C. The remuneration shall be commensurate with the developmental improvements to raise the efficiency of operation and the company's performance. 	<p>with the foregoing. In this Regulations, the company has set rules for remuneration granted to senior executives in order to encourage and motivate them to retain and maintain them within the company's executive team.</p> <p>When determining the remuneration for senior executives, including the Chief Executive Officer, the following shall be taken into account:</p> <ul style="list-style-type: none"> A. The remuneration shall be proportional to the effort expended. B. The remuneration shall be commensurate with the extent of commitment to achieving the company's objectives. The remuneration shall be commensurate with the developmental improvements to raise the efficiency of operation and the company's performance. C. The remuneration shall be commensurate with the developmental improvements to raise the efficiency of operation and the company's performance.
<p>Fourth: General Provisions:</p> <ul style="list-style-type: none"> 1- The CEO of the Nomination and Remuneration Committee shall recommend the remuneration he deems to senior executives - except the CEO himself. 2- The Nomination and Remuneration Committee shall review and discuss the remuneration of senior 	<p>Fourth: General Provisions:</p> <ul style="list-style-type: none"> 1- The CEO of the Nomination and Remuneration Committee shall recommend the remuneration he deems to senior executives - except the CEO himself. 2- The Nomination and Remuneration Committee shall review and discuss the remuneration of senior



Remuneration Regulations of the Members of the Board of Directors Its Committees and the Executive Management

<p>executives listed in (1) above and approves what it deems appropriate.</p> <p>3- The Nomination and Remuneration Committee shall discuss, approve and submit the incentive remuneration of the CEO to the Chairman for approval.</p>	<p>executives listed in (1) above and approves what it deems appropriate.</p> <p>3- The Nomination and Remuneration Committee shall discuss, approve and submit the incentive remuneration of the CEO to the Chairman for approval.</p>
<p>Fifth: Amendment of the Regulations:</p> <p>The Board of Directors may, upon a proposal from the Nomination and Remuneration Committee, amend the provisions of this Regulations in accordance with any new practical requirements, resolutions or instructions issued by the competent government authorities, provided that such amendment shall be submitted to the General Assembly at its first meeting.</p>	<p>Fifth: Amendment of the Regulations:</p> <p>The Board of Directors may, upon a proposal from the Nomination and Remuneration Committee, amend the provisions of this Regulations provided that such amendment shall be submitted to the General Assembly at its first meeting.</p>



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Table of Remuneration, Compensation and Allowances

SN	Title	Amount of Annual Remuneration	Exchanges and Travel Expenses	Notes
1	Chairman of the Board of Directors	200,000	-	For his work as Chairman of the Board of Directors as determined by the Government Regulations and the Company's Bylaws.
2	Member of the Board of Directors	460,000	1- The value of first-class round-trip tickets for those from outside the region. 2- Accommodation allowance of SAR 1,000 for those from outside the region.	The annual remuneration shall be paid in proportion to the number of meetings attended by the member after the approval of the remuneration by the ordinary general assembly.
3	Board Member (Representative of the company on the board of directors of a subsidiary or sister company). Board Member Remuneration for his membership in each of the following committees of the Board:	-	1- The value of first-class round-trip tickets for those from outside the region. 2- Accommodation allowance of SAR 1,000 for those from outside the region.	Subject to the Regulations of the subsidiary and sister company regarding the annual remuneration.
4	• Nomination and Remuneration Committee. • Executive Committee.	20,000	1- The value of first-class round-trip tickets for those from outside the region. 2- Accommodation allowance of SAR 1,000 for those from outside the region.	The remuneration shall be paid in proportion to the number of meetings attended by the committee member.
5	Member of the Audit Committee	100,000		The remuneration shall be paid in proportion to the number of meetings attended by the committee member.
6	External Member of the Audit Committee	100,000	1- The value of first-class round-trip tickets for those from outside the region. 2- Accommodation allowance of SAR 1,000 for those from outside the region.	-
7	Secretary of the Board of Directors	50,000	-	-

Saudi Cement Company Bylaws	
Before the amendment	After amendment
<p>Formation of the Company:</p> <p>Article One: Formation</p> <p>The Company was established as a Saudi Joint Stock company pursuant the provisions of the Companies Law and its Implementing Regulations; and in accordance with these Articles of Association as follows:</p>	<p>Formation of the Company:</p> <p>Article One: Formation</p> <p>The Company was established as a Saudi Joint Stock company pursuant the provisions of the Companies Law and its Implementing Regulations; and in accordance with these Articles of Association as follows:</p>
<p>Article Two: Name of the Company: Saudi Cement Co. Listed Joint Stock Company</p>	<p>Article Two: Name of the Company and its Nationality: Saudi Cement Co. Listed Saudi Joint Stock Company</p>
<p>Article Three: Objectives of the Company: The Company shall exercise and carry out the below objectives:</p> <ol style="list-style-type: none"> 1- Undertake all necessary works for the manufacture, production and marketing of all types of clinker and cement and related products and derivatives thereof inside and outside the Kingdom of Saudi Arabia; and has the right to import and export clinker and all types of cement. 2- The Company has the right, with the aim of achieving its objectives, to purchase all related products and spare parts, including radioactive materials, explosives and other items. 3- The Company has the right to produce and sell energy. <p>The Company shall carry out its activities pursuant to the applicable laws and upon obtaining the necessary licenses from competent authorities, if any.</p>	<p>Article Three: Objectives of the Company: The Company shall exercise and carry out the below objectives:</p> <ol style="list-style-type: none"> 1- Manufacturing all types of cement. 2- Manufacturing Portland cement in its different types. 3- Manufacture of salt-resistant cement. 4- Manufacturing pozzolanic cement 5- Manufacturing cement mixed with other materials. 6- Manufacturing types of asbestos cement or cellulose fiber cement. 7- Manufacturing white cement. 8- Manufacturing grout cement. 9- Manufacturing clinker cement. 10- Retail sale of building materials. 11- Wholesale of building materials. 12- Wholesale of building materials. 13- Wholesale of cement, plaster and similar materials. 14- Sale and export of raw materials and minerals such as gypsum, pebbles, sand and clay. 15- Export of all types of cement and clinker. 16- Operation of quarries for all raw materials. 17- Operation of sand or gravel mines, including crushers. 18- Recycling waste.

	<p>19- Mining non-ferrous metal ores, including aluminum, copper and lead.</p> <p>20- Mining glass, sand, pebbles and gravel.</p> <p>21- Mining gypsum and anhydrite.</p> <p>22- Land freight transport.</p> <p>23- Freight and equipment transport.</p> <p>24- Maritime and coastal water transport of various goods.</p> <p>25- Rail freight transport between cities.</p> <p>26- Loading and unloading.</p> <p>27- Loading and unloading.</p> <p>28- Purchase and sale of electricity grid services.</p> <p>29- Blasting and demolition.</p> <p>30- Import of radioactive industrial materials.</p> <p>31- Import of all requirements for manufacturing cement and materials mixed with cement such as iron slag, pozzolana, fly ash, additives and spare parts.</p> <p>32- Import clinker.</p> <p>33- Production and import of building materials of all kinds including glass, plasterboards, fiberglass.</p> <p>inside and outside the Kingdom of Saudi Arabia.</p> <p>The Company shall carry out its activities pursuant to the applicable laws and upon obtaining the necessary licenses from competent authorities.</p>
<p>Article Four: Participation and Ownership in Companies</p> <p>This Company shall have the right to set up companies by itself inside and outside the Kingdom, and shall be entitled to possess shares and stocks in existing commercial and industrial companies or merge into the same, and shall also be entitled to partner with third parties to form companies upon fulfilling all the relevant legal requirements and set regulations in this regard. The Company may dispose of such shares or stocks provided it will not act as a broker.</p>	<p>Article Four: Participation and Ownership in Companies</p> <p>This Company shall have the right to set up companies by itself inside and outside the Kingdom, and shall be entitled to possess shares and stocks in existing commercial and industrial companies or merge into the same, and shall also be entitled to partner with third parties to form companies upon fulfilling all the relevant legal requirements and set regulations in this regard. The Company may dispose of such shares or stocks provided it will not act as a broker.</p>

<p>Article Five: Head Office of the Company The Company’s head office shall be in the city of Dammam, and may be moved to any other place inside the Kingdom subject to the approval of the Extraordinary General Assembly. The Board of Directors may establish branches, offices or agencies for the Company inside or outside the Kingdom of Saudi Arabia.</p>	<p>Article Five: Head Office of the Company The Company’s head office shall be in the city of Dammam, and may be moved to any other place inside the Kingdom subject to the approval of the Extraordinary General Assembly. The Board of Directors may establish branches, offices or agencies for the Company inside or outside the Kingdom of Saudi Arabia.</p>
<p>Article Six: Term of the Company: The Term of the Company shall be Seventy-Five (77) Hijri years commencing from the date of registration with the Commercial Register. The Company’s Term may always be extended by a resolution of the Extraordinary General Assembly taken at least one year prior to the expiration of the Term of the Company.</p>	<p>Article Six: Term of the Company: The term of the Company starts from the date of its registration in the commercial register.</p>
<p style="text-align: center;">Chapter Two: Capital and Shares</p> <p>Article Seven: Capital of the Company The Capital of the Company shall be SAR 1,530,000,000 (One Thousand Five Hundred Thirty Million Saudi Riyals) divided into 1,530,000,000 nominal shares of equal value of SAR 10 (ten Saudi Riyals) each.</p>	<p style="text-align: center;">Chapter Two: Capital and Shares</p> <p>Article Seven: Capital of the Company The Capital of the Company shall be SAR 1,530,000,000 (One Thousand Five Hundred Thirty Million Saudi Riyals) paid in full, divided into 1,530,000,000 nominal shares of equal value of SAR 10 (ten Saudi Riyals) each. The Company’s shares may be divided into shares with a lower nominal value, or merged to represent shares with a higher nominal value, in accordance with the regulations set by the competent authority.</p>
<p>Article Eight: Purchase for Shares The Company may purchase or mortgage its shares pursuant to the laws.</p>	<p>Article Eight: Purchase and sell for Shares The Company may purchase, sell or mortgage its shares. The Company may also purchase its shares to allocate them to the company’s employees within an employee stock program, in accordance wit the controls specified in the Companies Law and its executive regulations.</p>
<p style="text-align: center;">-</p>	<p>Article ...: Obligation to sell Shares</p> <ol style="list-style-type: none"> 1- The majority of shareholders who represent ninety percent of the company’s shares that have at least voting rights may oblige the minority to accept the offer of a bona fide buyer to purchase all of the company’s shares at the same price, terms and conditions for purchasing the majority shares. 2- The minority shareholders may oblige the majority to guarantee the sale of the minority shares in cases where the majority sells their shares at the same price, terms

	and conditions for the sale of the majority shares.
<p>Article Nine: Sale of Non-Fully Paid Shares: A shareholder shall pay the share value at the times set therefor. If a shareholder fails to pay on the due date, the Board of Directors may sell such shares in a public auction or in the stock market, as the case may be, in accordance with the directives of the Competent Authority, after having warned the shareholder by means of a registered letter served on its address stated in the Shareholders' Register. The Company shall recover its dues from the sale proceeds and refund the balance to the shareholder. If the sale proceeds are insufficient to cover the Company's dues, then the Company may recover the remaining amount due from the entire shareholders' funds. However, the defaulting shareholder, who fails to pay until the day of selling, may still, in such a situation, pay the value due plus the expenses incurred by the Company in that regard. The Company shall cancel the share sold in accordance with the provisions of this Article, and shall give the purchaser a new share bearing the same number of the cancelled share, a notation of which shall be made in the Shareholders' Register stating the new owner's name.</p>	-
<p>Article Ten: Issuance of Shares: The shares shall be nominal and may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to an independent item under Shareholders' equity, and may not be distributed as profits among Shareholders. A share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share, and they shall be jointly responsible for the obligations arising from the ownership of the share.</p>	<p>Article Ten: Issuance of Shares: The shares shall be nominal and a share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share, and they shall be jointly responsible for the obligations arising from the ownership of the share.</p>
<p>Article Eleven: Negotiation of Shares: Shares subscribed by founders may not be negotiated before the publication of the</p>	<p>Article Eleven: Negotiation of Shares:</p>

<p>balance sheet and profit and loss account of the Company for two consecutive complete fiscal years, each of which shall be no less than twelve months from the date of Company Formation. A notation shall be made on the respective share certificates indicating their type, date of company formation and the period of effective restriction on their negotiation. However, during this restriction period, title of such shares may be transferred in accordance with the provisions of sale of equities from one founding shareholder to another, or from successor of a deceased founding shareholder to third parties or in case an execution is imposed on an insolvent Founder's funds or upon his bankruptcy, provided priority of possessing such shares shall be given to other Founders. The provisions of this Article shall apply to the founding shareholders' subscriptions in the event of capital increase prior to the lapse of the referenced restriction period.</p>	<p>The Company's shares are traded in accordance with the provisions of the Capital Market Law and its executive regulations.</p>
<p>Article Twelve: Shareholders' Register The Company shares shall be negotiable in accordance with the provisions of the Capital Market Law.</p>	<p>-</p>
<p>Article Thirteen: Increase of Capital:</p> <ol style="list-style-type: none"> 1- The Extraordinary General Assembly may adopt a resolution to increase the Company's capital provided that the capital shall have been paid in full. It shall not be required that the capital be fully paid up in case the unpaid portion of the capital is related to shares issued against converting debt instruments or debenture bonds into shares and the period specified for converting the same to shares has not yet expired. 2- The Extraordinary General Assembly may in all cases allocate shares issued upon increasing capital or a portion thereof for the Company employees and subsidiaries or some of them, or any of such cases. Shareholders shall not have preemptive rights to subscribe for said shares issued for the Company employees. 3- Upon the issuance of the resolution of the Extraordinary General Assembly 	<p>Article Thirteen: Increase of Capital:</p> <ol style="list-style-type: none"> 1- The Extraordinary General Assembly may adopt a resolution to increase the Company's capital provided that the capital shall have been paid in full. It shall not be required that the capital be fully paid up in case the unpaid portion of the capital is related to shares issued against converting debt instruments or debenture bonds into shares and the period specified for converting the same to shares has not yet expired. 2- The Extraordinary General Assembly may in all cases allocate shares issued upon increasing capital or a portion thereof for the Company employees and subsidiaries or some of them, or any of such cases. Shareholders shall not have preemptive rights to subscribe for said shares issued for the Company employees. The competent authority may establish regulations and procedures for allocating shares to the employees of the company or in subsidiaries or some of them, or any of that.

<p>of capital increase, shareholders shall have preemptive rights to subscribe for the new cash shares The shareholders shall be notified of the preemptive rights vested in them by notice to be published in a daily newspaper addressing the capital increase resolution and the conditions and duration of subscription and the dates of commencement and expiration of same, or by written notice to the shareholder by registered mail.</p> <p>4- The Extraordinary General Assembly may suspend the shareholder’s pre-emption rights in a cash capital increase or grant them to others if it considers it in the Company’s best interest.</p> <p>5- Shareholders may sell or give up their preemptive rights starting from the issuance of General Assembly of resolution of capital increase until the last day specified for subscription for new shares attached to such rights in accordance with the directives of the Competent Authority.</p> <p>6- Subject to the provisions of section (4) above, new Shares shall be distributed to preemption right holders who demanded subscription in proportion to the total preemption rights resulting from the capital increase provided that the number of Shares allotted to them shall not exceed the number of new Shares they have applied for. The remaining new Shares shall be allotted to the Shareholders who have asked for more than their proportionate share, in proportion to the preemption rights they hold out of preemption rights resulting from the capital increase provided that the number of Shares allotted to them shall not exceed the number of new Shares they have applied for. The rest of the Shares shall be offered to third parties unless otherwise provided for by the Extraordinary General Assembly or the Capital Market Law.</p>	<p>3- Upon the issuance of the resolution of the Extraordinary General Assembly of capital increase, shareholders shall have preemptive rights to subscribe for the new cash shares The shareholders shall be notified of the preemptive rights vested in them -if any- by a registered letter to their address listed in the shareholder registry or through modern technological means, and by addressing the capital increase resolution and the conditions, method and duration of subscription and the dates of commencement and expiration of same.</p> <p>4- The Extraordinary General Assembly may suspend the shareholder’s pre-emption rights in a cash capital increase or grant them to others if it is in the Company’s best interest.</p> <p>5- Shareholders may sell or give up their preemptive rights for a financial consideration or for free, in accordance with the provision of the Companies law and its executive regulations.</p> <p>6- Subject to the provisions of section (4) above, new Shares shall be distributed to preemption right holders who demanded subscription in proportion to the total preemption rights resulting from the capital increase provided that the number of Shares allotted to them shall not exceed the number of new Shares they have applied for. The remaining new Shares shall be allotted to the Shareholders who have asked for more than their proportionate share, in proportion to the preemption rights they hold out of preemption rights resulting from the capital increase provided that the number of Shares allotted to them shall not exceed the number of new Shares they have applied for. The rest of the Shares shall be offered to third parties unless otherwise provided for by the Extraordinary General Assembly or the Capital Market Law.</p>
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<p>Article Fourteen: Decrease of Capital: The Extraordinary General Assembly may decrease the Company’s capital if it exceeds the Company’s needs or if the Company suffers losses. The capital may, in the latter case only be decreased to less than the limit stipulated in Article (54) of the Companies Regulations. Such resolution shall be issued only after reading out a special report prepared by the Auditor on the reasons for such reduction, the obligations to be fulfilled by the Company, and the impact of the reduction on such obligations. If the reason for the capital reduction is due to the capital being in excess of the Company’s needs, the Company’s creditors must be invited to express their objection to such a reduction within sixty days from the date of publication of the resolution relating to the reduction in a daily newspaper published in the region where the Company’s head office is located. Should any creditor object and present to the Company evidentiary documents within the time limit set above; then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.</p>	<p>Article Fourteen: Decrease of Capital: The Extraordinary General Assembly may decrease the Company’s capital if it exceeds the Company’s needs or if the Company suffers losses. The capital may, in the latter case only be decreased to less than the limit stipulated in Article (59) of the Companies Regulations. Such resolution shall be issued only after reading out a statement in the General Assembly prepared by the Board of Directors on the reasons for such reduction, the obligations to be fulfilled by the Company, and the impact of the reduction on fulfilling them. A report from the Company’s Auditor should be attached to this statement. If the reason for the capital reduction is due to the capital being in excess of the Company’s needs, the Company’s creditors must be invited to express their objection to such a reduction at least forty-five days before the date set for holding the Extraordinary General Assembly meeting to take the reduction decision, provided that a statement is attached to the invitation explaining the amount of capital before and after the reduction, the date of the meeting, and the effective date of the discount. Should any creditor object and present to the Company evidentiary documents within the time limit set above; then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.</p>
<p style="text-align: center;">Chapter Three: Board of Directors</p> <p>Article Fifteen: Company Management: The Company shall be managed by a Board consisting of eleven members, to be elected by the Ordinary General Assembly for a term of three years through cumulative voting. The board member may be re-elected</p>	<p style="text-align: center;">Chapter Three: Board of Directors</p> <p>Article Fifteen: Company Management: The Company shall be managed by a Board of Directors of natural character consisting of eleven members, to be elected by the Ordinary General Assembly for a term of four years through cumulative voting. The board member may be re-elected.</p>

<p>Article Sixteen: Termination of Board Membership: Membership on the Board shall cease at the expiry of the term or in the event that the validity of that membership is terminated in accordance with any applicable laws or regulations in the Kingdom. However, the Ordinary General Assembly may, at any time, remove all or any of the Directors, without prejudice to the right of a removed director to hold the Company liable if the removal is made without acceptable justification or at an improper time. A Director may resign, provided that such resignation is made at a proper time; otherwise, he shall be responsible to the Company for damages resulting from such resignation.</p>	<p>Article Sixteen: Termination of Board Membership: Membership on the Board shall cease at the expiry of the term, or the death of the member, or the termination of his membership upon the recommendation of the Board of Directors to the General Assembly, or if he becomes unfit for membership in the Board due to non-applicability of the membership conditions mentioned in the Regulations on Board Membership Standards and Procedures at the time, or for violating the membership provisions mentioned in the Company’s regulations, or in the event that the validity of that membership is terminated in accordance with any applicable laws or regulations in the Kingdom. However, the Ordinary General Assembly may, at any time, remove all or any of the Directors, without prejudice to the right of a removed director to hold the Company liable if the removal is made without acceptable justification or at an improper time. A Director may resign, provided that such resignation is made at a proper time; otherwise, he shall be responsible to the Company for damages resulting from such resignation.</p>
<p>Article Seventeen: Board Vacancies Subject to Article (16) of these Articles, where the office of a Director becomes vacant, the Board may appoint a temporary Director who has sufficient experience and qualifications to fill the vacancy based on the Board’s discretion. The Ministry and the Authority shall be informed within five business days from the appointment date. Such appointment shall be submitted to the earliest General Assembly. The new Director shall complete the unexpired term of his predecessor. Where the conditions required for holding the Board of Directors meeting are not satisfied because the number of Directors falls below the minimum prescribed in the Companies Law or in the Company’s Articles, the remaining Directors must call the General Assembly to convene within 60 days to elect the required number of Directors.</p>	<p>Article Seventeen: Board Vacancies If the position of one of the members of the Board of Directors becomes vacant, the Board may appoint a member to fill the vacancy. The Ministry and the Authority shall be informed within the period specified by law. Such appointment shall be submitted to the earliest General Assembly. The new Director shall complete the unexpired term of his predecessor. Where the conditions required for holding the Board of Directors meeting are not satisfied because the number of Directors falls below the minimum prescribed in the Companies Law or in the Company’s Articles, the remaining Directors must call the General Assembly to convene within 60 days to elect the required number of Directors.</p>
<p>Article Eighteen: Powers of the Board 1- Taking into account the competencies specified the General Assembly, the Board</p>	<p>Article Eighteen: Powers of the Board 1- Taking into account the competencies specified the General Assembly, the Board of</p>

<p>of Directors shall have the fullest powers to manage the company so as to achieve its objectives. The Board of Directors shall have the right to make decisions, conclude contracts, and perform all other actions necessary to achieve the objectives of the company; and is entitled to participate in other companies. It may also conclude contracts on loans and guarantees of whatever amount and for any period whatsoever, including loans whose terms exceed three years. The Board of Directors may approve the provision of financial support, guarantees and loans to companies that the company fully owns or contributes to its capital with other companies and guarantee the debts of any of these companies. It may buy and lease lands and real estate, sell, lease and mortgage the company's properties, including its lands, real estate, movables and factories, convey ownership and accept the same, receive deeds, absolve the company's debtors from their obligations, as well as the right to conciliation, assignment of rights, request arbitration, appoint arbitrators and experts and clearance. It shall further have the right to sign contracts for the establishment and incorporation of companies to which the company contributes inside and outside the Kingdom.</p> <p>2- The company may not extend loans of any kind to any of the members of the board of directors or its shareholders, or guarantee any loan that any of them enters into with others.</p> <p>3- Members of the Board of Directors may not have any direct or indirect interest in the business and contracts that are made for the account of the company except as permitted by the Ordinary General Assembly. All members shall inform the Board of any direct or indirect interest in the business and contracts that are made for the account of the company, taking into account the controls related to that mentioned in the Companies Law.</p> <p>4- The board appoints Chairman and deputy Chairman of the board, and the board may appoint a delegated member and define their powers, and the board of directors</p>	<p>Directors shall have the fullest powers to manage the company so as to achieve its objectives. The Board of Directors shall have the right to make decisions, conclude contracts, and perform all other actions necessary to achieve the objectives of the company; and is entitled to participate in other companies. It may also conclude contracts on loans and guarantees of whatever amount and for any period whatsoever. The Board of Directors may approve the provision of financial support, guarantees and loans to companies that the company fully owns or contributes to its capital with other companies and guarantee the debts of any of these companies. It may buy and lease lands and real estate, sell, lease and mortgage the company's properties, including its lands, real estate, movables and factories, convey ownership and accept the same, receive deeds, absolve the company's debtors from their obligations, as well as the right to conciliation, assignment of rights, request arbitration, appoint arbitrators and experts and clearance. It shall further have the right to sign contracts for the establishment and incorporation of companies to which the company contributes inside and outside the Kingdom.</p> <p>2-The company may not extend loans of any kind to any of the members of the board of directors or its shareholders, or guarantee any loan that any of them enters into with others. The Company may provide loans to its employees in accordance with the employee incentive program.</p> <p>3- Members of the Board of Directors may not have any direct or indirect interest in the business and contracts that are made for the account of the company except as permitted by the Ordinary General Assembly. All members shall inform the Board of any direct or indirect interest in the business and contracts that are made for the account of the company, taking into account the controls related to that mentioned in the Companies Law.</p> <p>4- The board appoints Chairman and deputy Chairman of the board, and the board may appoint from its members a delegated member and a chief executive officer and define their powers, and the board of directors</p>
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<p>appoints a secretary for the board to choose from among its members or others and determines their remuneration, and the latter shall be responsible for recording minutes of board meetings and decisions passed at these meetings and maintain the same in addition to any other competencies entrusted to it by the Board of Directors. The Board of Directors shall appoint chief executive officer from among its members or others, and may also, within the limits of its competence and powers, delegate one or more of its members or others to carry out certain action(s). It shall have the right to authorize any of its delegates to delegate others to carry out any of the tasks entrusted to it. The Board of Directors shall have the right to exercise all these powers inside and outside the Kingdom of Saudi Arabia.</p>	<p>appoints a secretary for the board to choose from among its members or others and determines their wages, and the latter shall be responsible for recording minutes of board meetings and decisions passed at these meetings and maintain the same in addition to any other competencies entrusted to it by the Board of Directors. The Board of Directors shall appoint chief executive officer from among its members or others, and may also, within the limits of its competence and powers, delegate one or more of its members or others to carry out certain action(s). It shall have the right to authorize any of its delegates to delegate others to carry out any of the tasks entrusted to it. The Board of Directors shall have the right to exercise all these powers inside and outside the Kingdom of Saudi Arabia.</p>
<p>Article Nineteen: Remuneration of Board Members: Remuneration of the Board Members shall consist of:</p> <ol style="list-style-type: none"> 1- Percentage not exceeding (10%) of the net profits after deducting expenses, depreciations and due zakat, and after setting aside the statutory reserve and other reserves, and distributing 5% of the company's capital as a first premium to the shareholders as decided by the General Assembly according to the Companies Law or these Articles, provided that it does not exceed the limits stipulated in the Companies Law or any other laws, decisions or directives complementary thereto. 2- Allowance and expenses incurred for attending board meetings. 3- The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all amounts received by the Board Members during the fiscal year including rewards, dividends, expenses, and other benefits as well as of all the amounts received by the Board Members in consideration of technical, administrative or consultancy services. The report shall also include a statement of the number of Board meetings and the number 	<p>Article Nineteen: Remuneration of Board Members:</p> <ol style="list-style-type: none"> 1- Remuneration of the Board Members shall consist of: <ol style="list-style-type: none"> a. The detail mentioned in the Regulation of Remuneration for members of the Board of Directors, its Committees and Executive management. b. Allowance and expenses incurred for attending board meetings. 2-The Ordinary General Assembly approves the Regulation of Remuneration for members of the Board of Directors, its Committees and Executive management. Provided that the regulations specify the details of the remuneration granted to members of the Board, taking into account that the remuneration is fair motivating, and commensurate with the member's performance and the Company's performance. 3-The Board of Directors' report to the Ordinary General Assembly in its annual meeting must include a comprehensive statement of all amounts received by or deserves to be received by every member of the Board Members during the fiscal year including rewards, expense allowance, and other benefits as well as of all the amounts

<p>of meetings attended by every member as of the date of last General Assembly meeting.</p>	<p>received by the Board Members in consideration of technical, administrative or consultancy services. The report shall also include a statement of the number of Board meetings and the number of meetings attended by every member as of the date of last General Assembly meeting.</p>
<p>Article Twenty: Powers of Board Chairman, Vice-Chairman, and Board Secretary: The Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members. In absence of the Chairman, the Vice-Chairman shall be the Chairman. The person holding the Chairman position may not hold any other executive position in the Company. In absence of both the Chairman and the Vice-Chairman, the Board shall appoint a member to assume the position of the Chairman temporarily. The Chairman of the Board of Directors shall assume the following powers:</p> <ol style="list-style-type: none"> 1- Call the Board for meeting, chair the Board meetings and ordinary general assembly meetings. 2- Represent the Company in its relationships with others and before government agencies and private entities, and before Sharia courts, judicial bodies, the Board of Grievances, labor offices, labor committees, commercial papers committees, Sharia medical committees, customs committees, anti-commercial fraud committees, all judicial committees, arbitration and civil rights tribunals, police, traffic and passports departments, the General Directorate of Civil Defense and its branches and affiliated departments and divisions, and before chambers of commerce and industry, ministries, municipalities, airports, embassies, customs and ports authorities, notaries public, banks, private bodies, companies and institutions; and shall have the right to sign all types of contracts, documents and deeds, including contracts for loans obtained by the company and other financial agreements, mortgage and foreclosure, extend guarantees, lease and purchase real estate and land, lease and sell the Company's properties including 	<p>Article Twenty: Powers of Board Chairman, Vice-Chairman, and Board Secretary: The Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members. In absence of the Chairman, the Vice-Chairman shall be the Chairman. The person holding the Chairman position may not hold any other executive position in the Company. In absence of both the Chairman and the Vice-Chairman, the Board shall appoint a member to assume the position of the Chairman temporarily. The Chairman of the Board of Directors shall assume the following powers:</p> <ol style="list-style-type: none"> 1- Call the Board for meeting, chair the Board meetings and ordinary general assembly meetings. 2- Represent the Company in its relationships with others and before government agencies and private entities, and before courts, judicial bodies and judicial and quasi- judicial committees, the Board of Grievances, administrative courts, labor offices, customs committees, anti-commercial fraud committees, arbitration and civil rights tribunals, police, traffic and passports, the General Directorate of Civil Defense and its branches and affiliated departments and divisions, and before chambers of commerce and industry, ministries, municipalities, airports, organizations, embassies, customs and ports authorities, notaries public, banks, private bodies, companies and institutions; and shall have the right to sign all types of contracts, documents and deeds, including contracts for loans and bank facilities obtained by the company and other financial agreements, mortgage and foreclosure, extend guarantees, lease and purchase real estate and land, lease and sell the Company's properties including movables, real estate and lands, request

<p>movables, real estate and lands, request issuance of title deeds for all properties, request the amendment of deeds together with their boundaries and area, and to delete, add and update the deeds, partitioning, conveyance, receive price, receive deeds, request replacement thereof, and sign memoranda of association of companies in which the company contributes, and amendments made thereto, attend meetings, constituent assemblies and general assemblies, discuss and vote on behalf of the company, conveyance and accept of the same, receive and deliver, rent, lease, take and make payments, open and close accounts, credits, withdraw and deposit with banks, issue bank guarantees, sign all commercial papers, documents, forms, checks, all banking transactions, and request issuance and renewal of licenses. The Chairman of the Board of Directors may appoint agents and attorneys to review the affairs of the Company, plead and defend the company, hear lawsuits, respond to them, acknowledgment, denial, conciliation, waiver, release from liability, administer oath, request and deny the same, renounce oath, submit memoranda, evidence and defenses, bring witnesses and evidence, challenge the same, submit answers, endorse and discredit witnesses, amend, appeal for forgery, and deny handwritings, seals and stamps, request travel ban or lift the same, request seizure and execution, request arbitration and appointment experts and experts arbitrators, challenge the reports of experts and arbitrators and seek removal and replacement of the same, request enforcement of judgments, accept or object to judgments, file appeals and request reconsideration, request reinstatement, request pre-emption, approach all relevant authorities, finalize all necessary procedures and sign the same as required. The Board of Directors may, by a written decision, delegate all or some of his powers under this paragraph to board members or others to carry out certain action(s), and the other delegated parties shall have the right to delegate.</p>	<p>issuance of title deeds for all properties, request the amendment of deeds together with their boundaries and area, and to delete, add and update the deeds, partitioning, conveyance, receive price, receive deeds, request replacement thereof, and sign memoranda of association of companies in which the company contributes, and amendments made thereto, attend meetings, constituent assemblies and general assemblies, discuss and vote on behalf of the company, conveyance and accept of the same, receive and deliver, rent, lease, take and make payments, open and close accounts, credits, withdraw and deposit with banks, issue bank guarantees, sign all commercial papers, documents, forms, checks, all banking transactions, and request issuance and renewal of licenses. The Chairman of the Board of Directors may appoint agents and attorneys to review the affairs of the Company, plead and defend the company, hear lawsuits, respond to them, acknowledgment, denial, conciliation, waiver, release from liability, administer oath, request and deny the same, renounce oath, submit memoranda, evidence and defenses, bring witnesses and evidence, challenge the same, submit answers, endorse and discredit witnesses, amend, appeal for forgery, and deny handwritings, seals and stamps, request travel ban or lift the same, request seizure and execution, request arbitration and appointment experts and experts arbitrators, challenge the reports of experts and arbitrators and seek removal and replacement of the same, request enforcement of judgments, accept or object to judgments, file appeals and request reconsideration, request cassation, request reinstatement, request pre-emption, approach all relevant authorities, finalize all necessary procedures and sign the same as required. The Board of Directors may, by a written decision, delegate all or some of his powers under this paragraph to board members or others to carry out certain action(s), and the other delegated parties shall have the right to delegate.</p>
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<p>3- Carry out all other tasks entrusted by the Board of Directs under a resolution passed by the Board or by virtue of authorization or power of attorney by all board members.</p> <p>4- The term of office of the Chairman, Vice-Chairman, Managing Director and the Secretary – if the Secretary is a Board member – shall not exceed their respective term of service as Board Directors, and they may be reelected at any time by the Board. In addition, the Board may at any time remove any or all of them without prejudice to their right to compensation if the removal is made without acceptable justification or at an improper time.</p>	<p>3-Carry out all other tasks entrusted by the Board of Directs under a resolution passed by the Board or by virtue of authorization or power of attorney.</p> <p>4-The term of office of the Chairman, Vice-Chairman, Managing Director and the Secretary – if the Secretary is a Board member – shall not exceed their respective term of service as Board Directors, and they may be reelected at any time by the Board. In addition, the Board may at any time remove any or all of them without prejudice to their right to compensation if the removal is made without acceptable justification or at an improper time.</p>
<p>-</p>	<p>Powers of Managing Director or Chief Executive Officer:</p> <p>The Managing Director or CEO has the authority to manage the Company's daily affairs and approve the employee incentive loan program granted by the Company, as well as conclude contracts and agreements and represent the Company in its relations with others. He may, by a written decision, delegate all or some of his powers in this Article to other Board members or others to carry out a specific task or tasks, and third parties shall have the right of sub-delegation.</p> <p>The Managing Director or CEO shall have the following powers:</p> <p>To sell, convey to the buyer, receive the price, purchase, accept the conveyance, pay the price, mortgage, release the mortgage, accept the mortgage, consolidate bonds, subdivide, allot, receive bonds, update bonds and enter them into the comprehensive system, obtain a replacement bond set in case of loss, amend boundaries, lengths, areas, plot numbers, maps, bonds and their dates, neighborhood names, rent, lease, sign rental contracts, renew rental contracts, receive rent, cancel and terminate rental contracts, review the notary public records to inquire about the company's real estate properties, authenticate copies of real estate bonds. The Managing Director or CEO shall have the right to claim, file lawsuits, plead, defend, attend hearings of lawsuits, respond to them, acknowledge, deny, reconcile, waive, discharge, request an oath and refuse it, bring forth witnesses and</p>

	<p>evidence and object to them, respond, impeach and recuse, claim forgery, deny signatures, seals and handwritings, request a travel ban and lift it, review the Execution Departments and request an attachment and execution, request arbitration, appoint experts, arbitrators, appeal expert and arbitrator reports and dismiss and replace them, claim enforcement of rulings, accept and deny rulings, object to rulings, request an appeal, reconsideration and cassation, endorse rulings, request rehabilitation, request preemption, complete requirements to attend sessions in all lawsuits before all courts, receive amounts, receive rulings, request recusal of a judge, request intervention, request case referral before administrative courts (Board of Grievances), before Banking Dispute Settlement Committees, before Committees for Resolving Securities Disputes, before Customs Committees, before Committees for Commercial Fraud, before Committees for Resolving Insurance Disputes and Violations, before the Control and Anti-Corruption Authority, before the Public Prosecution, request cassation before the Supreme Court, before the Committee for Resolving Tax Violations and Disputes, before the Committee for Resolving Banks Control System Violations, before the Committee for Reviewing Copyright Protection Law Violations, before the Committee for Reviewing Patent Lawsuits, before the Committee for Reviewing Trademark Grievances, and before the Supreme Judicial Council. he Managing Director or CEO shall also have the right to sign incorporation contracts and amendments, sign partner decisions, sign articles of association for companies in which the company participates and all amendments thereto, attend incorporation meetings and general assemblies, discuss and vote on behalf of the company, open bank accounts in the company's name, sign agreements, close bank accounts in the company's name, register powers of attorney and trademarks, sign establishment contracts and amendments before the notary public, join the Chamber of Commerce and renew membership, review the Quality and Standards Authority, obtain and</p>
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	<p>renew licenses for the company, review the Ministry of Investment and sign before it, review the Capital Market Authority, sign contracts for the company with third parties, publish the articles of association and amendments and summaries thereto and bylaws. The Managing Director or CEO shall have the right to follow up with the Ministries of Justice, Interior, all Emirates and Provinces, Foreign Affairs and all embassies, Defense, Ministry of National Guard, Ministry of Commerce, Ministry of Investment, Ministry of Industry and Mineral Resources, Ministry of Finance, Ministry of Environment, Water and Agriculture, Ministry of Municipal and Rural Affairs and Housing, Ministry of Health, Ministry of Culture, Ministry of Information, Ministry of Islamic Affairs, Dawah and Guidance, Ministry of Transport, Ministry of Hajj and Umrah, Ministry of Human Resources and Social Development, Ministry of Communications and Information Technology, Ministry of Economy and Planning, follow up with the General Authority for Statistics, the National Anti-Corruption Commission, the General Authority for Real Estate, the General Authority for State Real Estate, the Saudi Authority for Intellectual Property, the Public Prosecution, the Ministries of Energy, the Capital Market Authority, the Saudi Standards, Metrology and Quality Organization, the Royal Commission for Jubail and Yanbu, the Human Rights Commission, the General Authority of Civil Aviation, the Saudi Red Crescent Authority, the Electricity and Cogeneration Regulatory Authority, the Gulf Cooperation Council Interconnection Authority, the General Commission for Audiovisual Media, the General Authority for Endowments, the Zakat, Tax and Customs Authority, and the General Authority for Competition, as well as their branches, departments and divisions. The Managing Director or CEO shall also have the right to follow up with all banks, open accounts in the company's name, withdraw, deposit, transfer between accounts, obtain ATM cards and receive them and PINs and enter them, obtain credit cards, obtain bank statements, obtain checkbooks and issue and</p>
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	<p>receive certified checks, receive remittances and cash them, subscribe to and renew safe deposit box rental, open safe deposit boxes, request bank loans, retrieve safe deposit box units, request loan waivers, request letters of credit, sign contracts and forms, request and sign bank guarantees and receive them, close and settle accounts, request points of sale, cash checks, activate accounts, dispute checks, receive checks, update data, obtain account statements, liquidate investment portfolios, request information about securities of all kinds, trades, sell, receive price, deposit in a portfolio or account in the company's name, receive bank certificates, IBANs, purchase shares compliant with Sharia, sell shares compliant with Sharia, receive share certificates, receive share value, receive profits, receive dividends, open investment portfolios, issue, amend and cancel orders, subscribe to investment fund units, redeem investment fund units, issue securities and promissory notes, sign them, liquidate real estate stocks. The Managing Director or Board member shall also have the right to follow up with all government agencies for licenses, permits and deregistrations required for the company's business, review private companies and institutions, follow up with insurance companies and their branches, departments and divisions, and complete all necessary procedures and sign wherever required. The Managing Director or CEO may, by a written decision, delegate all or some of his powers in this paragraph to other Board members or third parties to carry out a specific task or tasks.</p>
<p>Article Twenty One: Board Meetings: 1- The Board shall meet at least twice a year upon the invitation of the Chairman. The invitation shall be made in writing against acknowledgment of receipt, registered letters or any other means such as fax and email well before the meeting date. The Chairman shall invite the Board to meet when requested by at least two of the Directors. 2- The meeting may be held outside the Company's head office provided that at</p>	<p>Article Twenty One: Board Meetings: 1- The Board shall meet at least four meetings a year upon the invitation of the Chairman. The invitation shall be made in writing against acknowledgment of receipt, registered letters or through modern technical means, considering the periods specified in the laws and regulations. The Chairman shall invite the Board to meet when requested by any member of the Board to discuss one or more subject.</p>

<p>least one-half the members are attending or represented in the meeting.</p> <p>3- Some board members may attend the board meeting via audio-visual means provided that they do not exceed one-third of the board members.</p>	<p>2- The Board of Directors determines the location of its meetings, and they may be held remotely using modern technology.</p>
<p>Article Twenty Two: Attending Board Meetings:</p> <p>The General Assembly, based on recommendation by the Board of Directors, may terminate the membership of members who failed to attend three consecutive board meetings without acceptable justification.</p>	<p>Article Twenty Two: Absence from attending Board Meetings:</p> <p>The General Assembly, based on recommendation by the Board of Directors, may terminate the membership of members who failed to attend three consecutive board meetings or five separate meetings during his term as a Board member without acceptable justification accepted by the Board.</p>
<p>Article Twenty Three: Quorum of Board Meetings:</p> <p>A meeting of the Board shall be valid only if attended by at least six (6) members personally. A board member may appoint another board member by proxy to attend the meeting on his behalf in accordance with the below restrictions:</p> <ol style="list-style-type: none"> 1- A Board member shall not represent more than one member in attending the same meeting. 2- A proxy shall be granted in writing. 3- The member acting by proxy shall not be allowed to vote on resolutions that proxy grantor is prohibited from voting under the Law. <p>Resolutions of the Board shall be adopted by majority vote of the members present or represented. In case of a tie, the chairman of the meeting would have the casting vote.</p> <p>The board of directors may adopt resolutions by submitting them to the members individually, unless a member has requested in writing that the board be convened to deliberate on such resolutions; given that such resolutions shall be submitted to the board at the first following meeting.</p>	<p>Article Twenty Three: Quorum of Board Meetings:</p> <p>A meeting of the Board shall be valid only if attended by at least six (6) members personally or by proxy. A board member may appoint another board member by proxy to attend the meeting on his behalf in accordance with the below restrictions:</p> <ol style="list-style-type: none"> 1- A Board member shall not represent more than one member in attending the same meeting. 2- A proxy shall be granted in writing. 3- The member acting by proxy shall not be allowed to vote on resolutions that proxy grantor is prohibited from voting under the Law. <p>Resolutions of the Board shall be adopted by majority vote of the members present or represented. In case of a tie, the chairman of the meeting would have the casting vote.</p> <p>The board of directors in urgent matters may adopt resolutions by submitting them to all the members individually, unless a member has requested in writing that the board be convened to deliberate on such resolutions; given that such resolutions shall be submitted to the board at the first following meeting to be recorded in the minutes of that meeting.</p>
<p>Article Twenty Four: Board Deliberations:</p> <p>Deliberations and resolutions of the Board shall be recorded in minutes to be signed by the chairman of the meeting, members present and</p>	<p>Article Twenty Four: Board Deliberations:</p> <p>Deliberations and resolutions of the Board shall be recorded in minutes prepared by the Secretary and signed by the chairman of the</p>

<p>the Secretary. Such minutes shall be entered in a special register which shall be signed by the Chairman and the Secretary.</p>	<p>meeting, members present and the Secretary. Such minutes shall be entered in a special register which shall be signed by the Board Chairman and the Secretary. Modern technological means may be used to sign, document deliberations and decisions, and record minutes.</p>
<p>Article Twenty Five: Obligations of Board Members:</p> <p>Board members shall be jointly liable for damages sustained by the company, shareholders or third parties resulting from their mismanagement of the company, or their violation of the provisions of the Law or the company's articles of association. Any condition to the contrary of this provision shall be considered null and void. All Board members shall be liable if a wrongful act results from a resolution unanimously issued thereby. As for resolutions issued by a majority vote, dissenting members shall not be liable therefor if their objection is explicitly recorded in the minutes of the meeting. Absence from the meeting at which such resolution is adopted shall not constitute cause for relief from liability, unless it is established that the absentee was not aware of the resolution, or was unable to object to it after becoming aware of such resolution. Approval of the ordinary general assembly to relieve board members from liability shall not preclude the filing of liability suit. A liability suit shall not be heard after the lapse of three years from the date of discovering the wrongful act. Except for fraud and forgery, a liability suit shall not be heard after the lapse of five years from the end of the fiscal year in which the wrongful act was committed, and three years from the expiration of membership term of the concerned member, whichever occurs later.</p>	<p>Article Twenty Five: Obligations of Board Members:</p> <p>Board members shall be jointly liable for damages sustained by the company, shareholders or third parties due to their violation of the provisions of the Law or the company's articles of association or because of errors or omissions committed by them in the performance of their work. Any condition to the contrary of this provision shall be considered null and void. All Board members shall be liable if a wrongful act results from a resolution unanimously issued thereby. As for resolutions issued by a majority vote, dissenting members shall not be liable therefor if their objection is explicitly recorded in the minutes of the meeting. Absence from the meeting at which such resolution is adopted shall not constitute cause for relief from liability, unless it is established that the absentee was not aware of the resolution, or was unable to object to it after becoming aware of such resolution. The company may provide insurance coverage for members of its board of directors during their term of membership against any liability or claim arising due to their capacity. Approval of the ordinary general assembly to relieve board members from liability shall not preclude the filing of liability suit. Except for fraud and forgery, a liability suit shall not be heard after the lapse of five years from the end of the fiscal year in which the wrongful act was committed, and three years from the expiration of membership term of the concerned member, whichever occurs later.</p>
<p style="text-align: center;">Chapter Four:</p> <p style="text-align: center;">Shareholders General Assemblies</p> <p>Article Twenty Six: Attending General Assemblies:</p> <p>Each Shareholder shall have the right to attend the Shareholders' General Assemblies. In</p>	<p style="text-align: center;">Chapter Four:</p> <p style="text-align: center;">Shareholders General Assemblies</p> <p>Article Twenty Six: Attending General Assemblies:</p> <p>Each Shareholder shall have the right to attend the Shareholders' General Assemblies. In</p>

<p>addition, each Shareholder may authorize another Shareholder, other than the members of the Board of Directors or employees of the Company, to attend the General Assembly on his behalf, provided that such authorization shall be in writing on the form of power of attorney.</p>	<p>addition, each Shareholder may authorize another natural person other than the members of the Board of Directors to attend the General Assembly on his behalf, provided that such authorization shall be in writing on the form of power of attorney.</p>
<p>Article Twenty Seven: Competencies of Ordinary General Assembly:</p> <p>Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company’s fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.</p>	<p>Article Twenty Seven: Competencies of Ordinary General Assembly:</p> <p>Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters concerning the Company, in particular the following:</p> <ul style="list-style-type: none"> a- Election and dismissal of members of the Board of Directors. b- Appointing the auditor, determining his fees, reappointing him and dismissing him. c- Review and discuss the report of the Board of Directors. d- Review and discuss the company's financial statements. e- Discuss the auditor's report, if any, and take a decision thereon. f- Decide on the proposals of the Board of Directors on the method of distributing dividends. g- Formation of the company's reserves and determination of their uses. <p>The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company’s fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.</p>
<p>Article Twenty Eight: Competencies of Extraordinary General Assembly:</p> <p>The Extraordinary General Assembly shall have the power to amend the Company’s Articles of Association except for such provisions as may be impermissible to be amended under the law. Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling originally within the competence of the Ordinary General Assembly under the same conditions applicable to the latter. It shall also be in charge of all matters stipulated in the laws and</p>	<p>Article Twenty Eight: Competencies of Extraordinary General Assembly:</p> <p>The Extraordinary General Assembly shall have the following competencies:</p> <ul style="list-style-type: none"> a- Amend the Company’s Articles of Association except for such provisions as may be impermissible to be amended under the law. b- Decision on the continuation or dissolution of the company. c- Approval of the company's purchase of its shares.

<p>regulations issued by the competent government authorities.</p>	<p>Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling originally within the competence of the Ordinary General Assembly under the same conditions applicable to the latter. It shall also be in charge of all matters stipulated in the laws and regulations issued by the competent government authorities.</p>
<p>Article Twenty Nine: Call for Assemblies:</p> <p>The duly formed general assembly shall represent all shareholders, and shall be held in the Eastern Region in the Kingdom of Saudi Arabia. General and special assemblies of shareholders shall be held at the call of the board of directors subject to the circumstances stipulated in the Companies Law and in these Articles of Association. The Board of Directors shall convene a meeting of the Ordinary General Assembly if requested to do so by the Auditor, the Audit Committee or by a number of Shareholders representing at least (5%) of the Company’s capital. The Auditor may call for the convention of an assembly if the Board of Directors does not call the assembly to convene within thirty days from the date of Auditor’s request. Call for General Assembly together with the agenda thereof shall be published in a daily newspaper distributed in the region of the head office of the Company at least twenty-one days prior to the date set for the meeting. However, a notice sent by registered mail within the time limit set above shall suffice. A copy of the invitation and agenda are to be sent to the Ministry and the Capital Market Authority during the period of publication. Copy of the minutes of meeting shall be served on the Authority within (ten) days from the date of the meetings, and the Market shall be informed of the results of the general assembly once adjourned.</p>	<p>Article Twenty Nine: Call for Assemblies:</p> <p>The duly formed general assembly shall represent all shareholders, and shall be held in the Eastern Region in the Kingdom of Saudi Arabia. General assemblies of shareholders shall be held at the call of the board of directors subject to the circumstances stipulated in the Companies Law and in these Articles of Association. The Board of Directors shall convene a meeting of the Ordinary General Assembly within thirty days from the date of the request by the Auditor, the Audit Committee or by one or more shareholders representing at least (10%) of the company's shares that have voting rights. The Auditor may call for the convention of an Ordinary General assembly if the Board of Directors does not call the assembly to convene within thirty days from the date of Auditor’s request. Call for General Assembly together with the agenda thereof shall be published through modern technology at least twenty-one days prior to the date set for the meeting. However, a notice sent by registered mail within the time limit set above shall suffice. A copy of the invitation and agenda are to be sent to the Commercial Registration and the Capital Market Authority on the date of the invitation announcement.</p>
<p>Article Thirty: Assembly Attendance Register:</p> <p>Upon holding the assembly, a list containing the names of the shareholders present or represented shall be made stating the number of shares held by each of them in person or by proxy as well as the number of votes assigned to each of them. Every interested party may have access to that list.</p>	<p>Article Thirty: General Assembly Meeting Minutes:</p> <p>Upon holding the assembly, a list containing the number of shareholders present or represented shall be made stating the number of shares held by each of them in person or on behalf of them as well as the number of votes assigned to each of them,</p>

	<p>decisions taken, the number of votes approved or opposed by them, and a compendium of the discussions that took place at the meeting. The minutes shall be recorded in a special register signed by the President of the Assembly, its Secretary and the vote Collectors.</p>
<p>Article Thirty One: Quorum of Ordinary General Assembly:</p> <p>A meeting of the Ordinary General Assembly shall be valid only if attended by Shareholders representing at least one-quarter of the Company’s capital. If such quorum cannot be attained at the first meeting, a second meeting shall be held within an hour following the time set for the first meeting provided that the invitation to hold the first meeting shall state the possibility of holding such second meeting.</p> <p>In all cases, the second meeting shall be valid regardless of the number of the shares represented therein.</p>	<p>Article Thirty One: Quorum of Ordinary General Assembly:</p> <p>A meeting of the Ordinary General Assembly shall be valid only if attended by Shareholders representing at least one-quarter of the shares of the company that has voting rights. If such quorum cannot be attained at the first meeting, a second meeting may be held within an hour following the time set for the first meeting provided that the invitation to hold the first meeting shall state the possibility of holding such second meeting.</p> <p>In all cases, the second meeting shall be valid regardless of the number of the shares represented therein.</p>
<p>Article Thirty Two: Quorum of Extraordinary General Assembly:</p> <p>A meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing one-half of the Company’s capital. If such quorum cannot be attained at the first meeting, a call for convening a second meeting shall be sent and such meeting shall be held in accordance with the procedures specified in Article (29) of these Articles. The second meeting may be held within an hour following the time set for the first meeting provided that the invitation to hold the first meeting shall state the possibility of holding such second meeting. In all cases, the second meeting shall be valid if attended by number of shareholders representing at least one-quarter of the company’s capital.</p> <p>If this quorum is not attained to convene a second meeting, a notice shall be sent for a third meeting to be held in the same manner provided for in Article (29) herein. The third meeting shall be valid regardless of the number of shares represented therein, after the Capital Market Authority’s approval.</p>	<p>Article Thirty Two: Quorum of Extraordinary General Assembly:</p> <p>A meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing one-half of the shares of the company that has voting rights. If such quorum cannot be attained at the first meeting, a call for convening a second meeting shall be sent and such meeting shall be held in accordance with the procedures specified in Article (29) of these Articles. The second meeting may be held within an hour following the time set for the first meeting provided that the invitation to hold the first meeting shall state the possibility of holding such second meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least one-quarter of the shares of the company that has voting rights.</p> <p>If this quorum is not attained to convene a second meeting, a notice shall be sent for a third meeting to be held in the same manner provided for in Article (29) herein. The third meeting shall be valid regardless of the number of shares that have voting rights represented therein.</p>

<p>Article Thirty Three: Voting at Assemblies:</p> <p>Each Shareholder shall have one vote for each share held at the General Assemblies. Cumulative voting must be used when electing the Board of Directors. Board Members may not vote in relation to the resolutions pertaining to releasing them from liability during their term of service.</p>	<p>Article Thirty Three: Voting at Assemblies:</p> <p>Each Shareholder shall have one vote for each share held at the General Assemblies. Cumulative voting must be used when electing the Board of Directors. Board Members may not vote in relation to the resolutions pertaining to the business and contracts in which they have a direct or indirect interest, which involve a conflict of interest or that relates to releasing them from liability during their term of service.</p>
<p>Article Thirty Four: Resolutions of Assemblies:</p> <ol style="list-style-type: none"> 1- Resolutions of the Ordinary General Assembly shall be passed by absolute majority of the Shares represented in the meeting. 2- Resolutions of the Extraordinary General Assembly shall be passed by a majority vote of two-thirds of the shares represented at the meeting. However, if the resolution to be passed is related to increasing or decreasing the capital, extending the Company's term, dissolving the Company prior to the expiry of its term specified in these Articles or merging the Company with another company, such resolution shall be valid only if passed by a majority of three-quarters of the shares represented at the meeting. 	<p>Article Thirty Four: Resolutions of Assemblies:</p> <ol style="list-style-type: none"> 1- Resolutions of the Ordinary General Assembly shall be passed by the approval of the majority of voting rights represented in the meeting. 2- Resolutions of the Extraordinary General Assembly shall be passed by the approval of two-thirds of the voting rights represented at the meeting. However, if the resolution to be passed is related to increasing or decreasing the capital, determine the Company's term, or merging the Company with another company or dividing the company into two or more companies, such resolution shall be valid only if passed by the approval of three-quarters of the voting rights represented at the meeting.
<p>Article Thirty Five: Deliberations at Assemblies:</p> <p>Every shareholder shall have the right to discuss the matters listed in the agenda of the General Assembly, and to address questions to the Board Members and the Auditor in respect thereof. The Board or the Auditor shall answer Shareholders' questions to such an extent that would not jeopardize the Company's interests. If a Shareholder feels that the answer to his question is unsatisfactory, he may appeal to the General Assembly whose decision shall be final in this respect.</p>	<p>Article Thirty Five: Deliberations at Assemblies:</p> <p>Every shareholder shall have the right to discuss the matters listed in the agenda of the General Assembly, and to address questions to the Board Members and the Auditor in respect thereof. The Board or the Auditor shall answer Shareholders' questions to such an extent that would not jeopardize the Company's interests. If a Shareholder feels that the answer to his question is insufficient, he may appeal to the General Assembly whose decision shall be final in this respect.</p>
<p>Article Thirty Six: Chairing the General Assemblies and Preparing the Minutes:</p> <p>The Shareholders' General Assembly meetings shall be chaired by the Board</p>	<p>Article Thirty Six: Chairing the General Assemblies and Preparing the Minutes:</p> <p>The Shareholders' General Assembly meetings shall be chaired by the Board</p>

<p>Chairman or, in his absence, the Vice-Chairman, or the member designated by the Board from among its members in the absence of the Chairman and the Vice-Chairman. Minutes shall be written for the meeting showing the number of the Shareholders present in person or represented by proxy, the number of the shares held by each, whether of the principal or the agent, the number of votes attached to such shares, the resolutions adopted at the meeting, the number of votes assenting or dissenting to such resolutions and a comprehensive summary of the discussions that took place at the meeting. Such minutes shall be regularly recorded after each meeting in a special register to be signed by the chairman of the Assembly, the Secretary and vote counter. Proving the deliberations of the general assembly before courts and others shall be made by presenting copies of such minutes or extracts thereof endorsed by the Board Chairman as verified against the originals.</p>	<p>Chairman or, in his absence, the Vice-Chairman, or the member designated by the Board from among its members in the absence of the Chairman and the Vice-Chairman. If it is not possible, the General Assembly shall be chaired whoever is delegated by the shareholders from the members of the board or others by voting.</p>
<p>Article Thirty Seven: Board Committees: The Board of Directors may form from among its members and others committees that it intends to appoint according to the company's need and circumstances to carry out certain actions. With regard to the Audit Committee, the Board of Directors shall submit its recommendation regarding the committee and its regulations to the ordinary general assembly for approval. Also, the Board of Directors shall determine the method of functioning of the committees together with their term, vested competencies and powers as well as the number of its members, the necessary quorum for its meetings, the remuneration of its members, the allowance for attending its meetings, and the way the Board supervises it in a manner that does not contradict the requirements of the laws in force in the Kingdom. None of such committees may cancel or amend any of the resolutions and rules approved by the Board of Directors.</p>	<p>Article Thirty Seven: Board Committees: The Board of Directors may form from among its members and others several committees that it intends to appoint according to the company's need and circumstances to carry out certain actions, taking into account the provisions of the formation of the company's committees mentioned in the Companies Law and the Executive Regulations.</p>
<p style="text-align: center;">Chapter Five: Audit Committee</p> <p>Article Thirty Eight: Committee Formation:</p>	

<p>An Audit Committee shall be formed by a resolution of the Ordinary General Assembly. Such Committee shall consist of three who shall be non-Executive Board Members, whether from shareholders or others. Such resolution shall determine the duties of the Committee, its functioning controls, and remunerations of its members.</p>	<p>-</p>
<p>Article Thirty Nine: Quorum of Committee Meeting: An Audit Committee meeting shall be valid if attended by the majority of its members. Resolutions of the Committee shall be passed by the majority of attending members. In case of a tie, the Committee Chairman shall have a casting vote.</p>	<p>-</p>
<p>Article Forty: Committee Competencies: The Audit Committee shall be responsible for overseeing the Company business, and for such purpose, the Committee shall be given access to the Company records and documents, and shall also request any explanation or statement from the Board of Directors or the Executive Management. The Audit Committee may ask the Board of Directors to call the General Assembly to convene if the Board obstructs the Committee functions or should the Company experience serious losses or damage.</p>	<p>-</p>
<p>Article Forty One: Committee Reports: The Audit Committee shall examine the Company financial statements, reports, and notes submitted by the Auditor, and shall express its opinions, if any, thereon. In addition, the Committee shall prepare a report of its opinion of the sufficiency of the Company internal control system alongside any other activities it carried out within its sphere of competence. The Board of Director shall file sufficient copies of such report at the Company head office at least twenty-one (21) days before the date specified for the General Assembly so that each shareholder shall be given a copy thereof. Such report shall be read out at the General Assembly meeting.</p>	<p>-</p>

<p style="text-align: center;">Chapter Six: The Auditor</p> <p>Article Forty Two: Appointment of Auditor:</p> <p>The Company shall have one auditor or more to be selected from among those licensed to operate in the Kingdom appointed by the Ordinary General Assembly, which may determine his compensation and term of office, and may reappoint him. The General Assembly may at any time remove the Auditor, without prejudice to his right to compensation if the removal is made at an improper time or without acceptable justification.</p>	<p style="text-align: center;">Chapter Six: The Auditor</p> <p>Article Forty Two: Appointment of Auditor:</p> <p>The Company shall have one auditor or more to be selected from among those licensed to operate in the Kingdom appointed by the Ordinary General Assembly, which determine his fees, duration of work and scope, and may reappoint him. The General Assembly may at any time dismiss the Auditor, without prejudice to his right to compensation for the damage suffered, if necessary.</p>
<p>Article Forty Three: Powers of Auditor:</p> <p>The Auditor shall have access at all times to the Company’s books, records and any other documents, and may request statements and clarifications as he deems necessary to check the Company’s assets and liabilities, and other matters fall within his sphere of competence. The Board Chairman shall enable the Auditor to perform his duties, and should the Auditor encounter any difficulties in this regard, he shall state same in a report to be submitted to the Board of Directors. In case the Board does not facilitate the Auditor’s duties, the Auditor shall ask the Board to hold an Ordinary General Assembly to consider the matter.</p>	<p>Article Forty Three: Powers of Auditor:</p> <p>The Auditor shall have access at all times to the Company’s documents, accounting records and supporting documents, and may request statements and clarifications as he deems necessary to check the Company’s assets and liabilities, and other matters fall within his sphere of competence. The Board of Directors shall enable the Auditor to perform his duties, and should the Auditor encounter any difficulties in this regard, he shall state same in a report to be submitted to the Board of Directors. In case the Board does not facilitate the Auditor’s duties, the Auditor shall ask the Board to hold an Ordinary General Assembly to consider the matter.</p>
<p style="text-align: center;">Chapter Seven: Company Accounts and Distribution of Dividends</p> <p>Article Forty Four: Fiscal Year:</p> <p>The Company’s fiscal year shall begin on 1st of January and end on the 31st of December of each year.</p>	<p style="text-align: center;">Chapter Seven: Company Accounts and Distribution of Dividends</p> <p>Article Forty Four: Fiscal Year:</p> <p>The Company’s fiscal year shall begin on 1st of January and end on the 31st of December of each year.</p>
<p>Article Forty Five: Financial Documents:</p> <p>1- The Board of Directors shall prepare the Company’s financial statements at the end of each fiscal year together with a report of its activities and financial position for the preceding fiscal year. This report shall include the proposed method for distribution of dividends. The Board of Directors shall place such documents at</p>	<p>Article Forty Five: Financial Documents:</p> <p>1- The Board of Directors shall prepare the Company’s financial statements at the end of each fiscal year together with a report of its activities and financial position for the preceding fiscal year. This report shall include the proposed method for distribution of dividends. The Board of Directors shall place such documents at</p>

<p>the disposal of the Auditor at least 45 (forty-five) days prior to the date set for convening the General Assembly.</p> <p>2- The documents stated in paragraph (1) above, shall be signed by the Chairman of the Board of Directors, Chief Executive Officer, and Chief Financial Officer, and copies thereof shall be available at the Company's head office for the shareholders' review at least twenty-one (21) days prior to the time set for convening the General Assembly.</p> <p>3- The Chairman of the Board of Directors shall provide shareholders with the Company's financial statements, Board of Directors' report, Auditor's report unless all such documents are published in a daily newspaper circulated in the Company's head office. In addition, the Chairman shall also send copies of such documents to the Ministry and the Capital Market Authority at least fifteen (15) days prior to the date set for convening the General Assembly.</p>	<p>the disposal of the Auditor at least 45 (forty-five) days prior to the date set for convening the General Assembly.</p> <p>2- The documents stated in paragraph (1) above, shall be signed by the Chairman of the Board of Directors, Chief Executive Officer, and Chief Financial Officer, and copies thereof shall be available at the Company's head office for the shareholders' review.</p> <p>3- The Chairman of the Board of Directors shall provide shareholders with the Company's financial statements, Board of Directors' report after signing them, Auditor's report unless all such documents are published in any of the means of modern technology, at least twenty-one days prior to the date set for convening the General Assembly. He shall also deposit these documents as determined by the regulations.</p>
<p>Article Forty Six: Distribution of Dividends: The Company's annual net profits shall be allocated as follows:</p> <p>1- Ten percent (10%) of the annual net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when said reserve totals thirty percent (30%) of the Company's paid-up capital.</p> <p>2- The Ordinary General Assembly may, upon proposal by the Board of Directors, set aside five percent (5%) of the annual net profits to form a consensual reserve to be allocated for the purpose or purposes decided by the General Assembly.</p> <p>3- The Ordinary General Assembly may form other reserves at the portion that would serve the Company's best interest or would ensure distributing constant dividends, as much as possible, amongst shareholders. Besides, the Ordinary General Assembly may allocate from the net profits amounts to establish social institutions for the Company employees or to support existing social institutions.</p>	<p>Article Forty Six: Distribution of Dividends: The Company's annual net profits shall be allocated as follows:</p> <p>1- The General Assembly shall determine the percentage to be distributed to shareholders of the net profits after deducting reserves, if any.</p> <p>2- The Ordinary General Assembly may form reserves to be allocated for the purposes determined by the General Assembly at the portion that would serve the Company's best interest or would ensure distributing constant dividends, as much as possible, amongst shareholders. Besides, the Ordinary General Assembly may allocate from the net profits amounts</p>

<p>4- Out of the balance of the profits, if any, there shall be paid to the shareholders an initial payment of five percent (5%) of the Company paid-up capital.</p> <p>5- Subject to provisions in Article (19) hereof, and Article (76) of the Companies Law, the Ordinary General Assembly may allocate five percent (5%) of the remaining amount to be paid as compensation to the Board of Directors provided that entitlement of such compensation shall be in proportion to number of sessions the member has attended.</p> <p>6- The Ordinary General Assembly may, upon proposal by the Board of Directors, distribute the remaining balance (or part thereof) among shareholders in the form of an additional dividend.</p> <p>7- The Company may pay interim dividend to its shareholders on a bi-annual or quarterly basis in accordance with the directives issued by the Capital Market Authority upon authorization issued by the Ordinary General Assembly to the Board of Directors to distribute interim dividends.</p>	<p>to be used for the social purposes of the company's employees.</p> <p>3- The Company may pay interim dividend to its shareholders on a bi-annual or quarterly basis upon authorization issued by the Ordinary General Assembly to the Board of Directors to distribute interim dividends that is renewed annually.</p>
<p>Article Forty Seven: Entitlement to Dividends: Shareholders shall be entitled to their dividends pursuant to the General Assembly resolution passed in this regard. Such resolution shall specify the entitlement date and distribution date. Shareholders registered in the Shareholders' Register shall be entitled to their dividends by the end of the day of their entitlement.</p>	<p>Article Forty Seven: Entitlement to Dividends: Shareholders shall be entitled to their dividends pursuant to the General Assembly resolution passed in this regard or the resolution of the Board of Directors regarding the distribution of interim dividends. Such resolution shall specify the entitlement date and distribution date. Shareholders registered in the Shareholders' Register shall be entitled to their dividends by the end of the day of their entitlement.</p>
<p>Article Forty Eight: Company Losses: 1- At any time of the fiscal year, if the Company's losses total half of its paid-up capital, any officer of the Company or the Auditor, once being aware of such fact, must notify the Chairman of the Board, and the Chairman, in turn, must immediately notify the Board, and the latter shall, within a period of fifteen (15) days of being notified of same, call the Extraordinary General Assembly for a meeting within forty-five (45) days of the date the Board is notified of such losses. The Extraordinary</p>	<p>Article Forty Eight: Company Losses: If the Company's losses total half of its issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within sixty days from the date of becoming aware of the losses reaching this amount, and the Board of Directors shall convene the Extraordinary General Assembly to meet within one hundred and eighty days from the date of becoming aware of the losses reaching this amount to consider the continuation of the company with any of the necessary actions to address or resolve such</p>

<p>General Assembly shall consider whether to increase or decrease the Company capital in accordance with the Companies Law, such that losses should be less than half of the paid-up capital, or to decide whether the Company shall be dissolved prior to the expiry of the term specified therefor under these Articles.</p> <p>2- The Company shall expire under the Companies Law in case the Extraordinary General Assembly does not meet within the period specified in Paragraph (1) above, or if the meeting thereof fails to decide upon the subject, or even if the Assembly decides to increase the capital in accordance with the conditions stated in this Article but each increase is not subscribed for within the ninety (90) days following the issuance of the Assembly's resolution of capital increase.</p>	<p>losses. This shall be without prejudice to the implementation of the procedures and instructions issued in this regard.</p>
<p style="text-align: center;">Chapter Eight: Disputes</p> <p>Article Forty Nine: Liability Suit:</p> <p>Each Shareholder shall have the right to file the liability suit, vested in the Company, against the members of the Board of Directors if they have committed a fault which has caused some particular damage to such shareholder, provided that the Company's right to file such suit shall still be valid. The Shareholder shall notify the Company of his/its intention to file such suit which shall be limited to the suffered damage.</p>	<p style="text-align: center;">Chapter Eight: Disputes</p> <p>Article Forty Nine: Liability Suit:</p> <p>A liability lawsuit may be filed against the members of the Board of Directors in accordance with the provisions mentioned in the Companies Law and its Executive Regulations.</p>
<p style="text-align: center;">Chapter Nine: Company Dissolution and Liquidation</p> <p>Article Fifty: Expiry of the Company:</p> <p>Upon the expiry of the Company, it shall enter into liquidation period during which it shall maintain its legal personality to the extent necessary for liquidation. Resolution of optional liquidation may only be passed by the Extraordinary General Assembly. The liquidation resolution shall provide for the appointment of a liquidator and determine its powers, fees, restrictions of power and the period of liquidation, provided that optional liquidation period shall not exceed five years</p>	<p style="text-align: center;">Chapter Nine: Company Dissolution and Liquidation</p> <p>Article Fifty: Expiry of the Company:</p> <p>Upon the expiry of the Company, it shall enter into liquidation period during which it shall maintain its legal personality to the extent necessary for liquidation. Resolution of optional liquidation may only be passed by the Extraordinary General Assembly. The liquidation resolution shall provide for the appointment of a liquidator and determine its powers, fees, restrictions of power and the period of liquidation, provided that liquidation period shall not exceed three years and cannot</p>

<p>and cannot be extended without judicial order. The powers of the Board of Directors shall cease upon the Company’s approval of its liquidation, provided, however, that the Board of Directors shall remain responsible for the management of the Company and is deemed vis-à-vis third parties as liquidator until the liquidators are appointed. The General Assembly shall remain existent during the liquidation period and shall exercise its powers to the extent it does not conflict with the powers of the liquidator.</p>	<p>be extended without judicial order. The powers of the Board of Directors shall cease upon the Company’s expiration, provided, however, that the Board of Directors shall remain responsible for the management of the Company and is deemed vis-à-vis third parties as liquidator until the liquidators are appointed. The General Assembly shall remain existent during the liquidation period and shall exercise its powers to the extent it does not conflict with the powers of the liquidator.</p>
<p style="text-align: center;">Chapter Ten: Concluding Provisions</p> <p>Article Fifty One:</p> <p>The Companies Law and its Implementing Regulations shall apply to all other matters not specifically provided for herein.</p>	<p style="text-align: center;">Chapter Ten: Concluding Provisions</p> <p>Article Fifty One:</p> <p>The Companies Law and its Executive Regulations and the Capital Market Authority Law and Regulations shall apply to all other matters not specifically provided for herein.</p>
<p style="text-align: center;">-</p>	<p>Terminologies:</p> <p>The terms mentioned in this Law shall be the same as those mentioned in the Companies Law and its Executive Regulations.</p>
<p>Article Fifty Two:</p> <p>These Articles of Association shall be filed and published in accordance with the Companies Law and its Implementing Regulations.</p>	<p>Article Fifty Two:</p> <p>These Articles of Association shall be filed and published in accordance with the Companies Law and its Executive Regulations.</p>

Note: Articles will be renumbered after the amendments are approved.